DRAFT RED HERRING PROSPECTUS
Dated April 21, 2010
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updatedupon filing with the RoC)
100% Book Building Issue

AAO GHAR SAVARREN

SHIRDI INDUSTRIES LIMITED

(Our Company was incorporated as Shirdi International Engineers Private Limited under the Companies Act, 1956 on December 15, 1993 in Mumbai. The name of our Company was changed to Shirdi Industries Private Limited on May 9, 1997. Subsequently, our Company was converted into a Public Limited Company and the name was changed to Shirdi Industries Limited vide a certificate dated June 12, 1997. For details of the change in our name and registered office of our Company see "History and Corporate Structure" on page 103 of the Draft Red Herring Prospectus.)

Registered & Corporate Office: "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (W), Mumbai – 400028
Contact Person: Ms Neelam Shah, Company Secretary and Compliance Officer
Tel: +91-22-2431 8550; **Fax:** +91-22-2437 2200; **Email:** ipo@asisindia.com; **Website:** www.asisindia.com

PUBLIC ISSUE OF 6,500,000 EQUITY SHARES OF RS.10 EACH ("EQUITY SHARES") AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING TO RS. [●] MILLION (THE "ISSUE") BY SHIRDI INDUSTRIES LIMITED (THE "COMPANY" OR "ISSUER"). THE ISSUE WILL CONSTITUTE 27.30% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS RS.10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

THE PROMOTERS OF OUR COMPANY ARE MR RAKESH KUMAR AGARWAL, MR SARVESH AGARWAL, MR MUKESH BANSAL, MR HARIRAM AGARWAL AND ASIS INDUSTRIES PRIVATE LIMITED

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 Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release and by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and the terminals of the members of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Provided that our Company may allocate up to 30% of the QIB portion to the Anchor Investors on discretionary basis ("**Anchor Investor Portion**"). Further 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the 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. Resident Retail Individual Investors and Qualified Institutional Buyers may participate in this Issue through an Application supported by Blocked Amount providing details of the bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Bank. For details refer to the paragraph titled "***Issue Procedure for ASBA Bidders***" beginning on page 228 of the Draft Red Herring Prospectus.

RISKS IN RELATION TO 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 the Equity Shares is Rs.10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The Issue Price (as determined and justified by the BRLMs and our Company, as stated in the section titled "Basis of Issue Price", beginning on page 50 of the Draft 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares 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 the Draft Red Herring Prospectus. Specific attention of the investors is invited to the statements in the chapter titled "Risk Factors" beginning on page xiv of the Draft Red Herring Prospectus.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●], through its letter dated [●]. 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. For details regarding the grading of the Issue, see the section "General Information" beginning on page 16 and Appendix A –IPO Grading Report beginning on page 269 of the Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approvals for the listing of the Equity Shares pursuant to letters dated [●] and [●] from the BSE and the NSE, respectively. For the purposes of this Issue, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Collins Stewart Inga	YES BANK EXPERIENCE OUR EXPERTISE	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
Collins Stewart Inga Private Limited A-404, Neelam Centre, Hind Cycle Road, Worli, Mumbai 400 030 Tel No: +91 22 2498 2919 Fax No: +91 22 2498 2956 Email: shirdi.ipo@csinga.com Website: www.csinga.com Contact Person: Mr. Venkata Raveendra R/ Ms. Shruti R Vishwanath	**YES Bank Limited** Nehru Centre 12th Floor, Discovery of India Dr. A. B. Road, Worli, Mumbai 400 018, India Tel: (91 22) 6669 9000 Fax: (91 22) 2497 4158 Email: dlshirdiipo@yesbank.in Website: www.yesbank.in Contact Person: Mr. Gautam Badalia	**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: sil.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Chetan Shinde

BID/ISSUE PROGRAMME

BID /ISSUE OPENS ON : [●]	BID /ISSUE CLOSES ON : [●]

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

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "the Issuer", "the Company", "our Company" or "SIL"	Unless the context otherwise indicates or implies, refers to Shirdi Industries Limited on a standalone basis.

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments made from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
CIF	Cost, Insurance and Freight
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DIN	Director Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/fiscal/	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
IT Department	Income Tax Department

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLC	Programmable Logic Control
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SBAR	State Bank Advance Rate
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Sec.	Section
Securities Act	US Securities Act, 1933, as amended
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SLP	Special Leave Petition
Stamp Act	The Indian Stamp Act, 1899

Term	Description
State Government	The government of a state of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
UIN	Unique Identification Number
U.S. / USA / US	United States of America
USD/ US$ / US Dollars	United States Dollar
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Issue Related Terms

Term	Description
Allotment/ Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion with a minimum Bid of Rs.100 million.
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date, on which Bidding by Anchor Investors shall open and shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a ASBA Bidder to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidder	Any Bidder who intends to apply through ASBA
ASBA Bid cum Application Form or ASBA BCAF	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
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 201 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period (including, in the case of Anchor Investors, the Anchor Investor Bid/Issue Period) by a Bidder pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of the Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and which is payable by the Bidder (other than an Anchor Investor) on submission of the Bid in the Issue.
Bid /Issue Closing Date	The date after which the Syndicate and SCSB will not accept any Bids for the Issue, which shall be notified in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in [●] edition of [●] newspaper in Marathi language with wide circulation.
Bid/Issue Opening Date	The date on which the Syndicate and SCSB shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation except for the Anchor Investors

Term	Description
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
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 (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book building route as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
BRLM(s)/Book Running Lead Manager(s)	Collins Stewart Inga Private Limited, CSInga and YES BANK Limited, YES BANK
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSB which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges.
Cut-off Price	Issue Price, finalized by the Company in consultation with the BRLMs. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000, are entitled to bid at the Cut Off Price, for a Bid Amount not exceeding Rs. 100,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-Off Price.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated April 21, 2010, issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Equity Shares	Equity shares of our Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted

Term	Description
Issue	Public issue of 6,500,000 Equity Shares of Rs. 10 each of Shirdi Industries Limited for cash at a price of Rs. [•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating up to Rs. [•] million.
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
Issue Proceeds	The proceeds of the Issue that are available to the Company
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) i.e. upto 162,500 Equity Shares, available for allocation to Mutual Funds only, out of the QIB Portion, subject to valid bids being received from such Mutual Funds
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 40 of the Draft Red Herring Prospectus
Net Profit Margin	Net profit/ (loss) after tax and extraordinary items as a percentage of total income
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 975,000 Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian
Pay-in-Period	The period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date
Price Band	Price band of a minimum price (floor of the price band) of Rs. [•] and the maximum price (cap of the price band) of Rs. [•] and includes revisions thereof. The price band will be decided by the Company in consultation with the Book Running Lead Managers and advertised [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in [●] edition of [●] newspaper in Marathi language with wide circulation at least two working 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 Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions specified in Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, FVCIs registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, insurance funds set up and managed by the army, navy and air force of the Union of India and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India
QIB Portion	The portion of the Issue being upto 3,250,000 Equity Shares to be Allotted to QIBs
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made.
Refund Banker(s)	[•]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS or the ASBA process as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited

Term	Description
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and eligible NRIs) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 2,275,000 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLMs, the Registrar to the Issue and the Company only in relation to the collection of Bids from the ASBA Bidders
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	BSE and/or NSE as the context may refer to
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[•]
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Company Related Terms

Term	Description
AGL	Asis Global Limited
AIPL	Asis Industries Private Limited
ALL	Asis Logistics Limited
AOPL	Asis Overseas (C&F) Private Limited
Articles/Articles of Association	The Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s. S.R. Batliboi & Co., Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a committee constituted thereof
DFIPL	Dytel Finance Investments Private Limited
Director(s)	Director(s) of our Company, unless otherwise specified
Group Companies	Means those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act and disclosed in the section “Our Promoters and Group Companies” on page 124 of the Draft Red Herring Prospectus
KMP	Key Managerial Personnel
LCPL	Labh Capital Services Private Limited
Memorandum/Memorandum of Association	The memorandum of association of our Company.
MPL	Manhar Properties Private Limited
PFIPL	Pratibha Finance Investments Private Limited
PPBL	Poona Pearls Biotek Limited

Term	Description
Previous Auditors	The statutory auditors of our Company for the period ended March 31, 2008, M/s. S.R. Batliboi & Associates
Promoters	Mr. Rakesh Kumar Agarwal, Mr. Mukesh Bansal, Mr. Sarvesh Agarwal, Mr. Hariram Agarwal and Asis Industries Private Limited.
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI Regulations
RFIPL	Rachna Finance Investments Private Limited
RPL	Repute Properties Private Limited
STPL	Swanbay Technologies Private Limited

Industry Related Terms and Abbreviations

Term	Description
C/C	Cash Credit
CBM	Cubic Metres
CKD	Complete Knock Down
E 1 grade	Emission 1 Grade applicable for formaldehyde emissions
ISI	Indian Standards Institute
LC	Letters of Credit
HDF	High Density Fibre
MDF	Medium Density Fibre
MF	Malamine Formaldehyde
NFB	Non Fund Based
OCC	Overdraft Cash Credit Facility
PF	Phenol Formaldehyde
PPB	Pre laminated Particle Board
PVC	Poly Vinyl Chloride
TL	Term Loan
WBP	Wood Based Panel
WCDL	Working Capital Demand Loan

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our Company's restated financial statements as of and for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and for the nine months period ended December 31, 2009, prepared and restated in accordance with SEBI Regulations and paragraph B (1) of Part (II) of Schedule II to the Companies Act, 1956, as stated in the examination report of our Auditor, S.R. Batliboi & Co., Chartered Accountants, included in the Draft Red Herring Prospectus. Our fiscal/ financial 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) or a financial year or to "FY", are to the year ended March 31 of a particular year.

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

Any reliance by persons not familiar with Indian accounting practices, the Companies Act and the SEBI Regulations on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Unless otherwise specified or the context otherwise requires, all references to "India" in the Draft Red Herring Prospectus are to the Republic of India, together with its territories and possessions and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S.$", "U.S. Dollar(s)" or "US Dollar(s)" are to United States Dollars, the official currency of the United States of America, "EURO", "€", the official currency of the United Kingdom, "YUAN", the official currency of the China.

The Draft Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Item VIII(G) of Part A to Schedule VIII of the SEBI Regulations. These translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless otherwise stated, our Company has in the Draft Red Herring Prospectus used a conversion rate of Rs.46.68 for one US Dollar, being the RBI reference rate as of December 31, 2009 (Source: RBI website at www.rbi.org/in/scripts/BS_PressReleaseDisplay.aspx). Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. dollar (in Rupees per U.S. dollar) based on the reference rates released by the Reserve Bank of India. No representation is made that the Rupee amounts actually represent such amounts in U.S. dollars or could have been or could be converted into U.S. dollars at the rates indicated, any other rates or at all.

	Year ended March 31			
	Period End	Average	High	Low
	(Rs. per USD 1.00)			
2007..	43.59	45.29	46.95	43.14
2008..	39.97	40.24	43.15	39.27
2009..	50.95	45.91	52.06	39.89
	Quarter ends			
First Quarter Fiscal 2010 (ended June 30, 2009).........	47.87	48.67	50.53	50.53
Second Quarter Fiscal 2010 (ended September 30, 2009)...	48.04	48.42	49.40	47.54
Third Quarter Fiscal 2010 (ended December 31, 2009)	46.68	46.64	47.86	45.91

Source: Reserve Bank of India

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry data used in the Draft Red Herring Prospectus is reliable, it has not been verified by any independent source.

Further, the extent to which the market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended, ("**Securities Act**"), and, unless so registered, may not be offered or sold within the United States 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 being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers", (as defined in Rule 144A under the Securities Act and referred to in the Draft Red Herring Prospectus as "**U.S. QIBs**", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "**QIBs**"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in the Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. None of the Company and the Underwriters have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in the Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

The Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

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

i. Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.

ii. General economic and business conditions in India and other countries

iii. Regulatory changes relating to the wood based products industry in India and our ability to respond to them

iv. The occurrence of natural disasters or calamities

v. Change in political condition in India

vi. Limited operating history;

vii. Inability to enter into financing/ off-take arrangements for the proposed projects;

viii. Inability to set up projects within the estimated time frame;

ix. Certain inherent construction, financing and operational risks in relation to our projects;

x. Foreign exchange rates, interest rates, equity prices or other rates or prices;

xi. The performance of the financial markets in India;

xii. General economic and business conditions in India;

For further discussion of factors that could cause our actual results to differ from our expectations, see “Risk Factors”, “Our Business” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages xiv, 74 and 137 of the Draft Red Herring Prospectus. 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, our Directors, nor any of the Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below and the sections "Our Business" and "Management's Discussion and Analysis on Financial Condition and Results of Operations" beginning on pages 74 and 137, respectively, of the Draft Red Herring Prospectus, before making an investment in the Equity Shares of our Company. The risks described in this section are those that we consider to be the most significant to the offering of our Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer materially, the trading price of our Equity Shares could decline, and all or part of your investment may be lost. The risks set out in thes Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implication of any of the risks mentioned herein.

The Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements.

In this section, unless the context otherwise requires a reference to our, "we", "us", "our", or our/the "Company" refers to Shirdi Industries Limited.

INTERNAL RISK FACTORS

1. ***Relevant sales tax authorities have initiated investigation proceedings against our Company and have detained certain material documents relating to our operations and sales. Any unfavourable outcome in the aforesaid investigation proceedings and/or our failure to seek a release of the detained documents in a timely manner or at all, could adversely affect our operations and profitability.***

   During the financial year ended March 31, 2009 relevant sales tax authorities carried out investigations at two offices of our Company in Mumbai from March 4, 2009 to March 6, 2009. Post investigations the sales tax authorities have detained certain documents of our Company for further investigation. Such documents are required to be provided to our statutory auditors for effectively completing their audit of our financial statements for each financial year, failing which they would continue to typically include qualifications/limitations in their reports on our financial statements. Consequently, any unfavourable outcome in the aforesaid investigation proceedings and/or our failure to seek a release of the detained documents in a timely manner or at all, could adversely affect our operations and profitability**.**

2. ***Our Company has received qualifications and/or scope limitations in the auditors' reports on our Company's financial statements for the financial years ended March 31, 2008 and 2009 and the nine months period ended December 31, 2009.***

   Our Company has received qualifications and/or limitations in the auditor's reports on our financial statements for the financial years ended March 31, 2008 and 2009 and the report of the auditors'on the financial statements for the nine months period ended December 31, 2009. Such qualifications and/or limitations inter-alia state the following:

   <u>*For the Nine months period ended December 31, 2009 the Auditors' report stated the following qualification/s:*</u>

   - *"…… certain documents of the Company detained by the Sales Tax Authorities in earlier years for investigations. The management has informed us that the authorities till date have not returned these documents to the Company. In the absence of records detained by Sales Tax Authorities, we are unable to comment upon the impact, if any, on these financial statements. The audit report on the March 31, 2009 financial statements was also qualified for this matter."*

For the year ended March 31, 2009 the Auditors' report stated the following qualification/s:

- *"…during the year investigation was carried out by sales tax authorities at two offices of the Company in Mumbai from March 4, 2009 to March 6, 2009. Post investigations the sales tax authorities have detained certain documents of the Company for further investigations. In the absence of records detained by sales tax authorities, we are unable to comment upon the impact, if any, on these financial statements. The management has informed us that the authorities have not returned these documents to the Company."*

- "The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for plant and machinery where the records are maintained for group of similar assets and not for each individual assets."*

- "The Company has an intergral audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business."*

- "Undisputed statutory dues including providend fund, investor education, and protection fund, or employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases."*

- *The Company has defaulted in repayment of dues to banks; period and amount of default as on March 31, 2009 are as follows:*

(In Rupees)

	Principal Amount					Interest Amount				
Month	Principal Amount Due	Due Date of Payment	Amount Paid	Actual Date of Payment	Delay in No. of days	Interest Amount	Due Date of Interest	Interest Amount Paid	Date of Payment of Interest	Delay in No. of days
April'2008	3,000,000	April 30, 2008	3,000,000	May 03, 2008	3	1,930,355	April 30, 2008	1,930,355	May 02, 2008	2
May'2008	6,418,200	May 31, 2008	3,418,200	June 04, 2008	4	2,121,400	May 31, 2008	2,121,400	June 04, 2008	4
			3,000,000	June 06, 2008	6	1,961,951	May 31, 2008	1,961,951	June 02, 2008	2
						1,220,307	May 31, 2008	1,220,307	June 16, 2008	16
June' 2008	6,418,200	June 30, 2008	3,418,200	July 03, 2008	3	2,030,873	June 30, 2008	2,030,873	July 03, 2008	3
			3,000,000	July 05, 2008	5	1,870,383	June 30, 2008	1,870,383	July 01, 2008	1
July' 2008	3,000,000	July 31, 2008	3,000,000	August 26, 2008	26	2,139,915	July 31, 2008	2,139,915	August 07, 2008	7
						1,966,432	July 31, 2008	1,966,432	August 04, 2008	4
August' 2008	3,418,200	August 31, 2008	3,418,200	September 26, 2008	26	2,021,629	August 31, 2008	2,021,629	September 04, 2008	4
	3,040,000	August 31, 2008	3,040,000	September 04, 2008	4	1,193,393	August 30, 2008	1,193,393	September 02, 2008	3
September' 2008	3,418,200	September 30, 2008	3,418,200	October 01, 2008	1	2,103,386	September 29, 2008	2,103,386	October 01, 2008	2
	3,000,000	September 30, 2008	3,000,000	October 22, 2008	22	1,930,634	September 30, 2008	1,930,634	October 22, 2008	22
						1,243,426	September 29, 2008	1,243,426	October 06, 2008	7
October' 2008	11,218,200	October 31, 2008	4,800,000	November 14, 2008	14	1,931,739	October 31, 2008	1,931,739	November 11, 2008	11
			3,418,200	November 11, 2008	11	1,995,948	October 31, 2008	1,995,948	November 04, 2008	4

	Principal Amount					Interest Amount				
Month	Principal Amount Due	Due Date of Payment	Amount Paid	Actual Date of Payment	Delay in No. of days	Interest Amount	Due Date of Interest	Interest Amount Paid	Date of Payment of Interest	Delay in No. of days
			3,000,000	November 04, 2008	4					
November' 2008	7,800,000	November 30, 2008	4,800,000	December 03, 2008	3	2,753,483	November 30, 2008	2,753,483	December 03, 2008	3
			3,000,000	December 05, 2008	5	1,581,800	November 29, 2008	1,581,800	December 02, 2008	3
						1,791,848	November 30, 2008	1,791,848	December 05, 2008	5
						1,254,561	November 30, 2008	1,254,561	December 01, 2008	1
December' 2008	8,849,584	December 31, 2008	2,000,000	January 12, 2009	12	2,754,401	December 31, 2008	2,754,401	January 02, 2009	2
			2,718,200	January 22, 2009	22	1,784,441	December 31, 2008	1,784,441	January 01, 2009	1
			1,131,384	January 30, 2009	30	284,715	December 31, 2008	284,715	February 28, 2009	59
			3,000,000	January 17, 2009	17					
January' 2009	12,065,190	January 31, 2009	3,000,000	February 20, 2009	20	2,719,547	January 31, 2009	2,719,547	February 02, 2009	2
			3,645,190	February 09, 2009	9	1,062,857	January 31, 2009	1,062,857	February 28, 2009	28
			2,420,000	February 25, 2009	25	289,893	January 31, 2009	289,893	March 04, 2009	32
			3,000,000	February 06, 2009	6	1,625,779	January 31, 2009	1,625,779	February 06, 2009	6
						1,207,370	January 31, 2009	1,207,370	February 09, 2009	9
February' 2009	14,199,328	February 28, 2009	1,000,000	March 20, 2009	20	2,415,050	February 28, 2009	2,415,050	March 04, 2009	4
			2,000,000	March 23, 2009	23					
			1,000,000	March 24, 2009	24					
			3,719,128	March 25, 2009	25					
			3,000,000	May 05, 2009	66					
			3,480,200	May 05, 2009	66					
March' 2009	13,731,568	March 31, 2009	5,074,240	May 05, 2009	35	7,727,893	March 31, 2009	4,370,751	May 05, 2009	35
			5,177,128	May 30, 2009	60			1,690,641	May 13, 2009	43
			3,480,200	June 01, 2009	62			166,501	May 16, 2009	46
								1,500,000	June 01, 2009	62

For the year ended March 31, 2008 the Previous Auditors' (SR Batliboi & Associates) report stated the following CARO qualification/s:

- "The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for plant and machinery where the records are maintained for group of similar assets and not for each individual assets."*

- "The Company has an intergral audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business."*

- "Undisputed statutory dues including providend fund, investor education, and protection fund, or employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases."*

For further details see section titled "Financial Statements" beginning on page 136 of the Draft Red Herring Prospectus.

3. Our Company has filed applications under Section 621A of the Companies Act for compounding of certain offence(s) under the Companies Act. The failure to receive favourable outcome in connection with the aforesaid applications may have adverse effect on our Company.

Our Company could be held liable for violating the below mentioned provisions of the Companies Act:

The Auditors' Report on the audited financial statements of our Company for the financial years ended March 31, 2008 and 2009 contained certain qualifications and adverse remarks, which have not been dealt with or explained in the report of the board of directors of our Company, as required under Section 217 (3) of the Companies Act.

Our Company has completed buyback of 2,134,000 equity shares with effect from March 30, 2008 from Asis Industries Private Limited. Subsequently, our Company has within a period one month from the date of buyback allotted 5,00,000 and 9,80,000 equity shares to Hindustan Infrastructure Projects and Engineering Limited and Gemini Industries and Imaging Limited, respectively on April 25, 2008 which is not in compliance with section 77A(8) of the Companies Act, pursuant to which if a company completes buy back of its shares or other specified securities it shall not make any further issue of the same kind of shares within a period of six months.

Since an offence, if any, in connection with the aforesaid is not punishable with imprisonment only, or with imprisonment and also with fine, our Company has submitted applications for compounding of any offence(s) in connection with the aforesaid violations before the Registrar of Company. We cannot assure you a favourable outcome in connection with the aforesaid application.

4. We, our Promoters and our Directors are involved in certain legal and other proceedings that if determined against us or our Promoters or Directors, could have a material adverse effect on our financial condition and results of operations.

Our Company, our Directors, and our Promoters are currently involved in a number of proceedings in India, pending at different levels of adjudication before various authorities. The table below sets forth certain information with respect to legal proceedings that we and/or our Promoters and Directors are involved in:

Category	Company	Directors	Promoters	Group Companies
Criminal proceedings	-	-	-	-
Securities law proceedings	-	-	-	-
Civil proceedings	2	1	2	-
Tax proceedings	1	-	-	-
Labor cases	-	-	-	-
Consumer cases	-	-	-	-
Other proceedings/Notices etc.	2	-	-	-

Should any new development arise, such as a change in the Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which may increase our expenses and current liabilities. We can give no assurance that these legal proceedings will be decided in our favor or in favor of our Directors or Promoters.

The amounts which have not been quantified for the outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and our Group Companies, may have adverse material effect on the future operations of our Company. Any adverse decision may have a significant effect on our business, financial condition and results of operations. For further information relating to these proceedings, see "Outstanding Litigation and Material Developments" on page 161 of the Draft Red Herring Prospectus.

5. ***Our Company has in the past failed to comply with certain conditions contained in the financing agreements and documents in connection with credit facilities availed by our Company in a timely manner. Any invocation of their rights by the relevant lenders in connection with such defaults and/or failure by our Company could adversely affect the operations and/or financial condition of our Company.***

Our Company has in the past failed to pay amounts due under various financing agreements and documents in connection with the credit facilities availed by our Company, in a timely manner. Under the terms of the aforementioned documents our Company could inter-alia be required by the relevant lenders to repay the entire amount of credit sanctioned to us immediately. Any invocation of their rights by the relevant lenders in connection with such defaults and/or failure by our Company could adversely affect the operations and/or financial condition of our Company. For further details please refer to the section titled *"Outstanding Litigation and Material Developments"* beginning on page 161 of the Draft Red Herring Prospectus.

6. ***Our Company has in the past withdrawn an initial public offering of our Equity Shares.***

Our Company had in January 2006 proposed an initial public offering of 65,00,000 Equity Shares pursuant to a draft red herring prospectus dated January 18, 2006 and a red herring prospectus dated June 7, 2006 filed with SEBI and the Registrar of Companies, Mumbai, Maharashtra. Our Company had opened the aforesaid public offer for accepting bids in connection therewith. However, due to adverse market conditions, and other commercial considerations our Company withdrew the aforesaid public offer.

7. ***The requirement and proposed utilisation of proceeds of the Issue have not been appraised by any bank, financial institution or other independent agency and are based on internal management estimates. The management will have significant flexibility in applying the proceeds from the Issue, which may affect the results of our operations.***

The fund requirement and utilisation of the proceeds of the Issue as specified in the section entitled "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus are based on internal management estimates and have not been appraised by any bank, financial institution or other independent agency. The actual operations may be different from management estimates and our Company may not be able to deploy funds as planned. Accordingly, the management will have significant flexibility in applying the proceeds received by us from the Issue. This may affect our results of operation. For details please refer to the section entitled "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus.

8. ***Our inability to implement our proposed expansion programme inter-alia including managing operations of our manufacturing units at Coimbatore and Pantnagar in a profitable manner, the establishment and commissioning of our plant at Gummidipoondi, near Chennai, Tamil Nadu, could adversely affect our operations, financial condition and profitability.***

Our ability to successfully implement the aforesaid expansion programmes will be subject to a variety of risks, including construction delays, material shortages, unanticipated cost increases, inability to negotiate satisfactory arrangements with foreign partners, non-availability of adequate funds and the required personnel and other risks, and there can be no assurance that these programmes will be completed in a timely manner or at the cost levels anticipated by our Company. Moreover, the overall profitability and success is subject inter-alia to the following factors:

- obtaining the necessary statutory and/or regulatory approvals in a timely manner or at all;
- our ability to effectively obtain, retain and motivate appropriate managerial talent;
- our ability to effectively absorb additional infrastructure costs; and
- our ability to develop new expertise and undertake new risks, and other factors applicable at the time.

In the event our Company is unable to successfully execute the aforesaid expansion projects or realize the benefits expected upon its completion, our profitability, financial condition and results of operations could be materially adversely affected.

9. ***We have not placed an order for the purchase of certain plant and machinery in connection with our proposed expansions for which the proceeds of the Issue are proposed to be delpoyed. If we are unable to procure such plant and machinery in a timely manner, on commercially favourable terms and/or at all, our operations, profitability and financial condition may be adversely affected.***

We have not placed orders or entered into any written arrangements in connection with the purchase of plant and machinery aggregating to Rs. 150.75 million, representing [●] % of the net proceeds of the Issue, relating to our proposed expansions, as further detailed in the section titled "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus. If we are unable to procure such plant and machinery in a timely manner, on commercially favourable terms and/or at all, our operations, profitability and financial condition may be adversely affected.

10. ***We are yet to apply for and/or obtain certain statutory/regulatory approvals, licenses and registrations in connection with our proposed expansion at Gummidipoondi, near Chennai, Tamil Nadu. Any delay or failure in obtaining and/or maintaining such license for the aforesaid proposed expansion may adversely affect the implementation of the proposed project of our Company.***

We are yet to apply for and/or obtain certain statutory/regulatory approvals, licenses and registrations in connection with our proposed expansion at Gummidipoondi, near Chennai, Tamil Nadu, which inter-alia include licenses required under the Factories Act, 1948, and the forest license from Central Empowered Committee (CEC) to start wood based industry. Any delay or failure in obtaining and/or maintaining such license for the aforesaid proposed expansion may adversely affect the implementation of the proposed project of our Company. For further details please refer to the section titled *"Government and Other Aprovals"* beginning on page 166 of the Draft Red Herring Prospectus.

11. ***We forayed into the business of manufacturing of MDF and particle boards, and other related products in 2007. Our inexperience in the field of manufacturing the aforesaid products or in operating our existing manufacturing facilities, could adversely affect our operations and profitability.***

We commenced production of MDF and particle boards, pre-laminated boards, decorative laminates, wood based flooring products, door skins, furniture and designer doors from our manufacturing facility at Pantnagar, Uttarakhand in the Fiscal 2007, and consequently our Company has about over three years of operating experience in connection with the manufacture of the aforementioned products.

Our ability to operate our manufacturing activities in a profitable manner depends on various conditions, inter alia, including:

- our ability to comply with applicable statutory and/or regulatory requirements;
- obtaining and/or maintaining consents/ licences /approvals/certifications/permissions from applicable regulatory/statutory authorities, in a timely manner or at all;
- procuring raw material in sufficient quantities and in a timely manner;
- adequately managing the financial requirements in connection with the manufacture of the aforementioned products;
- attracting potential clients in an industry in which we do not have significant experience;
- managing costs of hiring and retaining labour and maintaining sufficient infrastructure;
- our ability to successfully compete with local competitors in the unorganised sector; and
- procuring sufficient orders for the purchase of our products.

Our inability to fulfil any or all of the conditions stated above on account of our relative inexperience in the field of manufacturing the aforementioned products, and our inability to successfully manage our existing manufacturing facilities could adversely affect our financial performance and/or operations.

12. Our Promoters have limited experience in the field of manufacturing MDF and particle boards, pre-laminated boards, decorative laminates, wood based flooring products, door skins, furniture and designer doors which may materially and adversely affect our Promoters' ability to guide our Company.

Our Promoters, have experience in the field of importing MDF and particle boards, they are otherwise relatively new to our current business of manufacturing MDF and particle boards, pre-laminated boards, decorative laminates, wood based flooring products, door skins, furniture and designer doors, since our Company commenced such manufacturing activities only in 2007. As a result, our Promoters may have limited knowledge about the wood based products industry and the attendant growth drivers, which may materially and adversely affect our Promoters' ability to guide our Company, to execute projects involving large capital expenditure, to manage adequate financing arrangements in connection with our manufacturing activities and to implement our growth strategies in a profitable manner.

13. Our operations and financial condition depend on our ability to procure wood in sufficient quantities, at competitive prices and in a timely manner. Our inability to procure wood in sufficient quantities, at competitive prices, in a timely manner or at all, would adversely affect our operations and profitability.

The primary raw material for the MDF Boards and particle boards manufactured by us is wood. The availability of wood is seasonal in nature and the prices of wood has been historicallly cyclical. Further, our ability to procure wood for the purposes of commercial production is subject to applicable statutory and/or regulatory requirements, especially those in connection with environment and forests. Consequently, our inability to procure wood in sufficient quantities, at competitive prices, in a timely manner or at all, would adversely affect our operations and profitability. Further we do not enter into long term agreements with the suppliers of raw material and components for our manufacturing facilities. Any severance of our relations with our suppliers and/or vendors could adversely affect our operations and profitability.

14. Several properties used by our Company for the purposes of its operations are not owned by our Company. Any termination of the relevant lease or leave and license agreements in connection with such properties or our failure to renew the same could adversely affect our operations.

Currently, 22 of the 32 properties used by our Company for the purposes of our operations, including the land where our manufacturing facilities at Pantnagar is situated, and the land near Coimbatore, Tamil Nadu where we we have recently established a new manufacturing facility, and few of our branch offices, are not owned by us. Any termination of the lease and/or leave and license agreements in connection with such properties which are not owned by us or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations.

15. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation and financial condition.

Any prolonged interruption of operations at our manufacturing facilities, including any power failure, fire and unexpected mechanical failure of equipment, could reduce our earnings for the affected period.

Irregular or interrupted supply of power or water, electricity shortages or government intervention, particularly in the form of power rationing are factors that could adversely affect our daily operations. If there is an insufficient supply of electricity or water to satisfy our requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. There can be no assurance that we will always have access to sufficient supply of electricity in the future to accommodate our production requirements and planned growth. In April, 2010, on account of interrupted and insufficient supply of power at our Pantnagar unit, we have not been able to utilise our manufacturing at Pantnagar upto its optimum capacity, which in turn may affect our profitability. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be filled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability.

16. If we are unable to adapt to technological changes coupled with changes in market conditions and the requirements of our customers, our business could suffer.

Our future success will depend in part on our ability to respond to technological advances in the businesses in which we operate, on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected.

17. Our inability to maintain the stability of our distribution network and attract additional distributors may have an adverse affect 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. 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 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.

18. Our operations and profitability is dependant upon the changing customer preferences and perceptions in relation to furnishings and interior products and the introduction of new products in the furnishing sector. If we are unable to keep pace with latest changes in furnishings and interior products sector, our operations and profitability could be adversely affected.

Preferences and perception of the consumers in India and globally in connection with furnishings and interior products and the introduction of new products in the furnishing sector impact our operations. The demand and popularity of MDF boards and particle boards in India is relatively lower as compared to plywood and other veneers. Our operations and profitability would be adversely affected if the demand for MDF boards, particles boards and our other products does not grow in the domestic and international markets. Further, if we are unable to keep pace with latest changes in furnishings and interior products sector, our operations and profitability could be adversely affected.

19. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products. Transportation strikes, damage to products and raw materials in the transit, delay in delivery and increase in freight costs or unavailabilty of freight for transportation of products may have an adverse effect on our business and results of operations.

We use third party transportation providers for the supply of most of our raw materials and products sourced from our vendors and delivery of our products to domestic and overseas customers. Transportation strikes by members of various Indian truckers' unions have had in the past, and could again have in the future, an adverse affect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of products to export markets may have an adverse effect on our business and results of operations.

20. Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditure, which could have a material adverse impact on our operations and profitability.

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements in the jurisdictions in which we operate.

The manufacturing activities of our Company are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment of Government of India, Saw Mill Rules, the State Forest Policy, and State Pollution Control Board. These inter-alia include statutory and/or regulatory requirements in connection with cutting of trees, discharge of effluents, polluted emissions and hazardous substances. We use wood for our products from commercial plantations.

Many of these laws and regulations related to environment and wood based industry provide for substantial fines and potential criminal sanctions for violations and require the installation of costly pollution control equipment or operational changes to limit pollution emissions and/or reduce the likelihood or impact of hazardous substance releases, whether permitted or not. In some cases, compliance with environmental, health and safety laws and regulations might only be achievable by capital expenditures, such as the installation of pollution control equipment. We cannot accurately predict future developments, such as increasingly strict environmental laws or regulations and inspection and enforcement policies resulting in higher compliance costs. Though presently we do not have any pending claim or litigation or liability to any environmental agency, we cannot predict with certainty the extent of its future liabilities and claims against them.

Further, the discharge, storage and disposal of hazardous wastes at our manufacturing facilities are subject to environmental regulations. Non-compliance with these regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Stringent statutory and/or regulatory requirements in connection with environment, health and safety in India is likely to result in increased environmental capital expenditures and costs for environmental compliance. In addition, due to the possibility of unanticipated regulatory or other developments, the amount of future environmental expenditures may vary widely from those currently anticipated.

Further we may be required to suspend and/or stop our manufacturing activities, in order to ensure that suitable modifications are carried out therein for ensuring compliance with such statutory and/or regulatory requirements. Our failure to comply with any statutory and/or regulatory requirements in connection with environment, health and safety could affect our operations, financial condition and profitability.

21. Our operations and profitability are significantly dependant upon our ability to successfully implement our branding and marketing strategy. Our inability to create a strong brand equity could adversely affect our ability to market our products, which in turn could adversely affect our profitability.

We market and sell our products under the brand name “ASIS”, which is relatively new. Consequently, the demand for our products among customers depends significantly on our ability to successfully implement our branding and marketing strategy, the quality of our products and creating a strong image and perception of our brand name. Our inability to create a strong brand equity could adversely affect our ability to market our products, which in turn could adversely affect our profitability.

22. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.

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

23. We are subject to risks associated with recall and product liability costs due to defects in our products, that may not be covered by insurance, which could generate substantial claims, adverse publicity or adversely affect our business, results of operations or financial condition.

Defects, if any, in our products could require us to undertake service actions or product recalls. These actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. We may not adequately, or at all be covered by insurance for product liability claims. Repeated successful claims in connection with alleged defects in our products would adversely affect our results of operations. Management resources could also be diverted away from our business towards defending such claims. As a result, our business, results of operations and financial condition could suffer. We cannot assure you that the limitations of liability set forth in our contracts will be enforceable in all instances or will otherwise protect us from liability for damages.

24. Our inability to register the trade and service marks used by us for the purposes of our business, in a timely manner or at all could adversely affect our operations, brand position, goodwill and profitability.

The applications for registration of some of the trade and service marks used by us are pending before the relevant trademark authorities. Our inability to register such trademarks and/or service marks in a timely manner or at all, could adversely affect our goodwill, brand position and/or financial performance.

25. The prices at which we sell the MDF Boards and/or particle boards manufactured by us in the domestic market depends on the import prices of the aforesaid products. Consequently, fluctuations in import prices of the aforementioned products could adversely affect our profitability.

The prices at which MDF Boards and/or particle boards manufactured by us are sold in the domestic markets in India depend on the import prices of the aforesaid products. Our ability to competitvely price our products could be adversely affected on account of any adverse fluctuations in the import prices of the aforesaid products which in turn could adversely affect our profitability.

26. We sell our products in highly competitive markets. Inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our operations and profitability.

We face stiff competition from the organised and un-organised sectors. Most of the end-users for our products are price conscious. We sell our products in highly competitive markets, and competition in these markets is based primarily on demand and price. Further the wood based products sector is highly unorganised. As a result, to remain competitive in our markets, we must continuously strive to reduce our production, transportation and distribution costs and improve our operating efficiencies. If we are unable to respond effectively to these competitive pressures, our competitors may be able to sell their products at more competitive prices, which would have an adverse effect on our market share and results of operations.

27. Our success significantly depends on our management and operational teams and other skilled professionals. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline.

We are highly dependent on the senior members of our management and operational team. Our ability to execute contract engagements and to obtain new clients depends in large part on our ability to attract, train, motivate and retain highly skilled professionals. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new contracts and to continue to expand may be impaired and our revenues could decline. We believe that there is significant competition for professionals with the necessary skill-sets in our industry. Additionally, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing client preferences. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline, which may decrease the value of our Equity Shares.

28. We may be affected by labour strikes or other disruptions in connection with labor that could adversely affect our operations, profitability and financial condition.

As a company engaged in manufacturing activities we depend on availability of adequate labour in at our manufacturing facilities. Further, our manufacturing operations depend on maintaining a harmonious relation with the labour employed in connection therewith. Although we have not faced any labour related unrests and/or disputes historically, we cannot assure you that we will not experience labour related unrest and/or disputes in the future, which may delay or disrupt our operations. If work stoppages, work slow-downs or lockouts at our facilities occur or continue for a prolonged period of time, our results of operations and financial condition could be adversely affected.

29. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.

We are required to obtain and maintain various statutory and regulatory permits and approvals to operate our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

As per the guidelines of the Hon'ble Supreme Court laid down it its Order dated October 29, 2002, we are required to obtain a forest license from Central Empowered Committee (CEC) to start wood based industry. Any delay or failure in obtaining and/or maintaining such license for each of our existing and/or proposed manufacturing facilities may adversely affect the implementation of the proposed project of our Company.

30. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks, such as defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Our inability to procure and/or maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

31. Our operations are subject to high working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

Our operations require a substantial amount of working capital. We are required to obtain and/or maintain adequate cash flows and funding facilities, from time to time, in order to, inter-alia, finance the purchase of raw materials, products and components, upgrade and maintain our manufacturing facilities. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

32. If we are unable to obtain the necessary funds for our growth plans, our business and operations will be adversely affected.

Our funding requirements for new projects are substantial, and our ability to finance these plans is subject to a number of risks, contingencies and other factors, some of which are beyond our control, including general economic and capital markets conditions and our ability to obtain financing on acceptable terms.

There can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans.

Our ability to obtain required capital on acceptable terms is subject to a variety of uncertainties, including:

- limitations on our ability to incur additional debt, including as a result of prospective lenders' evaluations of our creditworthiness and pursuant to restrictions on incurrence of debt in our existing and anticipated credit facilities;

- investors' and lenders' perception of, and demand for, debt and equity securities of wood based furnishings manufacturing companies, as well as the offerings of competing financing and investment opportunities in India by our competitors;

- whether it is necessary to provide credit support or other assurances from our Promoter on terms and conditions and in amounts that are commercially acceptable to them;
- limitations on our ability to raise capital in the capital markets and conditions of the Indian, U.S. and other capital markets in which we may seek to raise funds; and
- our future results of operations, financial condition and cash flows.

Any inability to raise sufficient capital to fund our projects could have a material adverse effect on our business and results of operations.

33. There are no sea ports in close proximity to our existing manufacturing facilities which result in us incurring additional costs for import of raw material and export of our products, which in turn adversely affect the profitability of our Company.

There are no sea ports in close proximity to our existing manufacturing facilities, which are located in the state of Uttrakhand. We have to incur additional costs of transportation and shipping of raw material and our products, which in turn adversely affect the profitability of our Company.

34. The conditions and restrictions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.

Most of our financing arrangements are secured by substantially all of our movable and immovable assets. Many of our financing agreements also include numerous conditions and covenants that require us to obtain lenders consents prior to carrying out certain activities and entering into certain transactions. Failure to obtain these consents or observe these covenants could have significant consequences on our business and operations.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans.

35. Our future operating results are difficult to predict. Any unfavorable changes in the factors affecting our operations may adversely affect our operating results and profitability.

Our business and results of operations may be adversely affected by, among other factors, the following:

- extended sales cycle for our products;
- timing and integration of new products and/or lines of business, if any;
- economic downturns or stagnant economies in India and global markets;
- a decrease in international and domestic prices for our products and services;
- delays in project schedules and adverse changes in purchasing practices of our customers;
- the ability to raise the finance required for investments and/or an increase in interest rates at which we can raise debt financing;
- strikes or work stoppages by our employees;
- competition from global and Indian wood based product manufacturers, including new entrants in the market;
- changes in government policies, including introduction of certain adverse changes, which may affect our industry generally in India or globally;

- accidents and natural disasters; and
- the time required to train new employees in order to use their skills effectively.

All of the above factors may affect our revenues and therefore have an impact on our operating results and profitability.

36. ***If any of our contingent liabilities materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.***

As on March 31, 2009, and December 31, 2009, the contingent liabilities of our Company which were not provided for, are as under:

Rs. in millions

Particulars	As at December 31, 2009	Year ended March 31, 2009
Corporate Guarantees given on behalf of others.	85.00	75.00
Obligations for Export Commitment under EPCG.	146.30	149.37
Obligation in respect of Advance License.	5.37	-
Total	**236.67**	**224.37**

If any of the contingent liabilities specified above materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

37. ***There may be a potential conflict of interest between the operations of our Company on one hand and the operations of few of the Group Companies on the other. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner which may materially effect operations of our Company.***

The objects clauses of the memorandum of association of few of our Group Companies, namely Asis Industries Private Limited, Asis Global Limited and Asis Overseas Limited permit them to undertake business similar to the current businesses of our Company. There may be a potential conflict between the operations of our Company and those of the aforesaid Group Companies should any of such Group Companies decide to undertake activities similar to our Company. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

38. ***Our Promoters and Directors have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in our Company to the extent of any transactions entered into or its shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

39. ***Some of the Group Companies have incurred losses in the past and may face losses in the future.***

Some of the Group Companies have incurred losses in recent years as per their respective Indian GAAP audited financial statements, as set forth in the table below:

(Rs. in million)

Entity	Net Profit/(Loss) for FY ended March 31		
	2009	2008	2007
Poona Pearls Biotek Limited	(0.14)	(5.55)	0.02
Repute Properties Private Limited	(0.01)	7.89	0.05

40. Our Company would continue to be controlled by its Promoters and Promoter Group following this Issue who could significantly influence most policy decisions of our Company.

After the completion of the Issue, our Promoters and Promoter Group will collectively hold approximately 72.70% of the outstanding paid-up Equity Shares. Consequently, our Promoters and Promoter Group, may exercise substantial control over our Company and inter alia may have the power to elect and remove a majority of Directors and/or determine the outcome of proposals for corporate action requiring approval of Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions/joint ventures.

41. Any further issuance of Equity Shares by us may dilute your shareholdings and materially and adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by us could dilute your shareholding, materially and adversely affect trading prices of our Equity Shares and our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances might occur could also materially and adversely affect the trading price of our Equity Shares.

42. We rely on our IT systems in managing our sales, supply chain, production process, logistics, research and development and other integral parts of our business. Any failure of our IT systems could have a material adverse effect on our business, financial condition and results of operations.

We are heavily reliant on our information systems technology in connection with order booking, dealer management, material procurement, research and development, accounting and production. Any failure of our information technology systems could result in business interruptions, including disruption in our distribution management, the loss of buyers, damaged reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations.

43. We may be unable to effectively implement our growth strategies or manage our growth. Our growth strategy involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to complete our plans on schedule or at all, which could have a material and adverse effect on our business and prospects.

As a part of our growth strategy, we propose to make investments designed to increase sales of our products. Our growth strategy involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to complete our plans on schedule or at all, or without incurring additional unforeseen material capital expenditure. Any inability on our part to manage our growth effectively or to ensure the continued adequacy of our current systems to support our growth strategy could have a material adverse effect on our business, results of operations, financial condition and cash flows. Furthermore, if market conditions change or if our operations do not generate sufficient funds or for any other reasons, we may decide to delay, modify or forgo some aspects of our growth strategy which could have a material and adverse effect on our business and prospects.

44. We may be penalized in connection with failure to comply with certain export obligations.

Our total export obligation is Rs. 2,166.62 million approximately as on December 31, 2009 which we are required to fulfil within a stipulated period. We may be penalized for our failure to comply with such export obligations in a timely manner or at all. We cannot assure you that we will at all times be able to comply with our export obligations in the future and any such failure could expose us to penal liabilities.

45. We are subject to tax proceedings

Investigation proceedings have been carried out at our Company by the Assistant Commissioner of Sales Tax, Mumbai. During the financial year ended March 31, 2009 relevant sales tax authorities carried out investigations at two offices of our Company in Mumbai from March 4, 2009 to March 6, 2009. Post investigations the sales tax authorities have detained certain documents of our Company for further investigation

46. We have experienced negative cash flows in prior periods. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

We have in the past, and may in the future, experience negative cash flows. For further details in connection with negative cash flows, please refer to section titled "*Financial Statements*" beginning on page 136 of the Draft Red Herring Prospectus. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our construction and growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

47. The industry segment for which the Issue is proposed has contributed to less than twenty five per cent. of the revenues of the our Company in Fiscal 2007.

The objects of the Issue are (a) to fund the setting up of manufacturing facilities at Gummidipoondi near Chennai, which will inter-alia include manufacturing facilities for production of MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line,, a printing line, pre-lamination lines, and development of land and infrastructure for the aforesaid purposes, and (b) to fund the capital expenditure for civil work and purchase of additional equipment at our Pantnagar unit in Uttarakhand which will primarily pertain to production of particle boards. In Fiscal 2007, the sales of products manufactured by us contributed to 2.83% of our Total Income for that Fiscal. For further details please refer to the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 137 of the Draft Red Herring Prospectus.

48. Our Company has availed unsecured loans which subject to the terms and conditions of relevant agreements may be recalled at any time. Further our Group Companies and/or associates may have availed of unsecured loans which can be recalled by the relevant lenders at any time.

Our Company has availed unsecured loans which subject to the terms and conditions of relevant agreements may be recalled at any time. For further details please refer to the section titled "*Financial Statements*" beginning on page 136 of the Draft Red Herring Prospectus. In the event the aforementioned loans are recalled by the lenders our financial condition and profitability could be adversely affected. Further our Group Companies and/or associates may have availed of unsecured loans which could be recalled by the relevant lenders at any time, which in turn could adversely affect the value of the investments of our Promoter and/or our Company, in such Group Companies and/or associates, as the case may be.

EXTERNAL RISK FACTORS

49. We operate in a regulated environment, and the government policies, laws and regulations affecting the sectors in which we operate and the related industries, could adversely affect our operations and our profitability.

We operate in a regulated environment and must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established by local authorities and designed to implement such laws and regulations. See the section "Regulations and Policies" beginning on page 96 of the Draft Red Herring Prospectus for a description of laws and regulations applicable to us in India. Non-compliance with any regulation may lead to penalties and fines, revocation of our approvals, sanctions, licenses, registrations and permissions or litigation. For more information regarding various approvals obtained by us in connection with our business, see the section "Government and Other Approvals" beginning on page 166 of the Draft Red Herring Prospectus. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business and results of operations could be adversely affected.

The regulatory framework in India is evolving. Future government policies and changes in laws and regulations in India may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

50. Our revenues are subject to a significant number of tax regimes and changes in the legislation governing the rules implementing them or the regulator enforcing them in any one of these states could negatively and adversely affect our results of operations.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, service tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

51. A slowdown in economic growth in India or in the other geographical regions to which we cater, could cause our business to suffer.

Our performance and the quality and growth of our assets are dependent on the health of the overall Indian economy and the economy of the jurisdictions to which we cater. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices or various other factors. Any slowdown in the Indian economy or in the other geographies to which we cater or future volatility in global commodity prices could adversely affect the policy of the various governments towards infrastructure, which may in turn adversely affect our financial performance.

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

Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. We cannot assure you that these liberalization policies will continue under the newly elected government. Protests against privatization could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and our business in particular.

53. The price of our Equity Shares may be highly volatile.

The prices of our Equity Shares on the Indian Stock Exchanges may fluctuate after this Issue as a result of several factors including the following:

(a) volatility in Indian and global securities markets;
(b) our results of operations and performance;
(c) adverse media reports on our Company or the Indian infrastructure and real estate industry;
(d) changes in the estimates of our performance or recommendations by financial analysts;
(e) significant development in India's economics liberalization and de-regulation policies; and
(f) significant development in India's fiscal and environmental regulations.

There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

54. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of our Equity Shares will be determined by the Book Building Process. This price will be based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

55. Major hostilities involving India and other acts of violence or war involving India, the United States or other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, financial condition and results of operations.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy our business, and may in turn adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability.

Also India or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could adversely affect client confidence in India, which could have an adverse impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

56. Natural calamities and force majeure events may have an adverse impact on the Indian economy.

Natural calamities could have a negative impact on the Indian economy and cause our business to suffer. India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

57. We may not receive final listing and trading approvals from the BSE and the NSE. An active market for the Equity Shares may not develop, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The Equity Shares are fresh issue of securities for which there is currently no trading market. Our Company will apply to the BSE and NSE for final listing and trading approvals after the Allotment of the Equity Shares in the Issue. There can be no assurance that we will receive such approvals on time or at all. Also, no assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

58. You will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you purchase in the Issue.

Under the ICDR Regulations, we are permitted to allot equity shares within 15 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 15 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

59. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares

60. Any downgrade of our debt ratings or of India's sovereign debt rating could adversely affect our business.

Any downgrade in our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have an adverse effect on our business and future financial performance and our ability to fund our growth.

Prominent Notes:

1. The net worth of our Company was Rs. 806.47 million and Rs. 964.10 million as on March 31, 2009 and December 31, 2009, respectively, as per our restated financial statements and the Issue Size i.e. [●].

2. The NAV per Equity Share of Rs. 10 each was Rs. 46.60 and Rs. 55.71 as on March 31, 2009 and December 31, 2009, respectively, as per our restated financial statements. See "*Financial Statements*" on page 136 of the Draft Red Herring Prospectus.

3. The average cost of acquisition of the Equity Shares by our Promoters as on the date of the Draft Red Herring Prospectus is as follows:

   - Mr. Rakesh Kumar Agarwal - Rs. 10 per Equity Share;
   - Mr. Mukesh Bansal- Rs. 10 per Equity Share;
   - Mr. Sarvesh Agarwal– Rs. 10 per Equity Share;
   - Mr. Hariram Agarwal – Rs. 10 per Equity Share; and
   - Asis Industries Private Limited – Rs. 28.46 per Equity Share.

4. This is a public Issue of 6,500,000 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) aggregating up to Rs. [●] million. The Issue will constitute 27.30 % of the post Issue paid-up capital of the Company.

5. We were originally incorporated as Shirdi International Engineers Private Limited on December 15, 1993.We have changed our name twice thereafter to Shirdi Industries Private Limited on May 9, 1997 and to our current name, Shirdi Industries Limited on June 12, 1997. For details of the change in our name, see "*History and Corporate Structure*" on page 102 of the Draft Red Herring Prospectus.

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

7. In case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders, 5% of which shall be available for allocation on a proportionate basis to Mutual Funds. Provided that our Company may allocate up to 30% of the QIB portion to the Anchor Investors on discretionary basis. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Furthermore, 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.

8. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

9. Except as disclosed in the sections titled "Our Promoters and Group Companies" or "Our Management" beginning on pages 123 and 107 of the Draft Red Herring Prospectus, respectively, none of our Promoters, our Directors and our

other key managerial personnels have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

10. For details of the Group Companies having business interests or other interests in the Company, please refer to the section titled "*Our Promoters and Group Companies*" on page 123 of the Draft Red Herring Prospectus.

11. We have entered into related party transactions which aggregated to Rs. 119.38 million, Rs. 129.85 million, Rs. 13.10 million, Rs. 669.42 million, Rs. 1,009.48 million, and Rs. 1,078.35 million, for the Financial Years ended March 31, 2005, 2006, 2007, 2008 and 2009 and the nine months period ended December 31, 2009, respectively. For further details of transactions by the Company with related parties during the last year, the nature of transactions and the cumulative value of transactions, please refer to the section titled "*Related Party Transactions*" on page 134 of the Draft Red Herring Prospectus.

12. The Promoter Group, the directors of the corporate Promoter, the Directors of the Company and their immediate relatives have not purchased or sold any Equity Shares during a period of six months proceeding the date on which the Draft Red Herring Prospectus is filed with SEBI.

13. There are no financing arrangements whereby the Promoter Group, and/or the directors of the corporate Promoter, and/or the directors of the Company and their relatives have financed the purchase by any other person of securities of the Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the SEBI.

14. Except as stated in the capital structure, we have not issued any shares for consideration other than cash.

15. Investors are advised to refer to the section titled "Basis for Issue Price" on page 50 of the Draft Red Herring Prospectus.

16. Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to investors at large and no selective or additional information will be available for any subset of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.

17. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries and certain multilateral institutions. This data has not been prepared or independently verified by us or the BRLMs or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in the Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Wood based Panel Industry in India:

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

Uses of wood based panel products

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

Cost of the wood based panel product

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

Plywood

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

Particle Board

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

Medium Density Fiber board

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

Government Initiatives

The industry is highly fragmented, with a large portion of it being unorganized. The biggest challenge for the organized players is increasing competition. To check the growth of the unorganized sector, the Government set up a regulatory authority called the CEC (Central Empowered Committee) for wood based industries. To check the depletion of forest cover arising out of unrestricted use by the plywood industry, the CEC vide its recommendations dated May 9, 2002 restricted new plywood industries to come up, and linked the issuance of fresh licenses with assessment of wood availability in each state. This resulted in very few units getting new plywood manufacturing licenses in the past several years.

However, the CEC has liberalized setting up of MDF and particleboards units and has delinked the same with availability of timber as it uses very small diameter woods which are either waste wood or grown in short rotation by farmers over 2-3 years. The investment for setting up MDF and particleboard plant is very significant, which restricts competition from the unorganized sector.

The government is also encouraging this sector by reducing the excise duty. The excise duty was reduced from 16% to 8% in the Finance Bill 2007 and to 4% with effect from December 7, 2008. It has now been increased to 10%. In addition, some of the state governments like Delhi, Uttar Pradesh, West Bengal and Madhya Pradesh have reduced the VAT from 12.5% to 4% in the recent past and other states are expected to follow shortly as the government wants to encourage affordable housing and environment friendly products.

Share of various types of panels - Current scenario in India

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

Competitive edge over imported goods

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

Value added products made from Particle Boards and MDF Boards

All kinds of wood based panels used in the manufacture of furniture require the surface of panel to be painted or covered with the help of decorative laminates or by way of pre-lamination or by using veneer. The process of lamination with the help of decorative laminates and veneer is normally completed at the site by contractors / carpenters. However, pre-laminated boards are laminated in the manufacturing set up by utilizing short cycle press or low pressure technology for lamination. Pre-laminated boards are normally made from MDF boards and Particle boards as the surface of plywood is not suitable for pre-lamination. In case of pre-lamination, coated / impregnated sheet of decorative papers is directly laminated on MDF board or Particle board whereas in the case of covering the surface of plywood the decorative impregnated paper is provided support by utilizing the required numbers of impregnated sheets of Kraft paper, depending upon the thickness of lamination.

Pre-laminated MDF boards and Particle boards are manufactured in India by integrated plants having facilities for the manufacture of plain boards and stand alone producers also who source the plain boards from such Indian manufacturers or through imports. The world wide trend of production and consumption of wood based panels suggest that the share of Particle board and MDF board has been increasing in the total quantity of various products covered under the scope of wood based panels. Since Particle Board and MDF Board are largely pre-laminated, the demand for pre-laminated board is also following similar trend.

In Indian market as on now MDF board and Particle board have not found preference in house hold segment which represents over 90% of the size of furniture industry and only less than 10% is consumed by corporate sector. However, the awareness for such product has reached among the house hold customers also and there are reports of demand originating from house hold segment too. Such demands are at present fulfilled by manufacturing the furniture in India and through imports. With more production of modular furniture for house hold segment in India the demand for pre-laminated boards is likely to serge in near future.

The furniture industry is required to meet the challenge of fulfilling the need of customization, style, size, value for money, after sales services, delivery time, etc. in highly demanding and changing manner. It is also subject to variations on account of region, location, income group aspiration, the behavior and need of consumer. \

Size of Opportunity

The cost of interior furnishing is between Rs.500 to Rs.4000 per Sq. feet of which 30 to 70% is represented by furniture. This is against less than Rs 400 per sq feet incurred in construction of premises (excluding interiors and fittings). The replacement cycle for furniture is faster than civil work. Also furniture occupies higher purchase priority over other hose hold items such as TV, Fridge, washing machines, Oven etc for a house hold consumer. That would result in a demand for around of Rs 60000 Crores per annum for furniture.

Despite various disadvantages, furniture made from Plywood currently accounts for about 95% of the industry sales with MDF and PB accounting for the rest. Plywood is popular amongst the housing industry while MDF has gained approval in the commercial use. The housing market being much larger, plywood holds a significant market share.
There is a perception of Plywood being more durable due to the agents and retailers who work as dealers of Plywood and carpenters as the skill required to use plywood is lower. But with increasing awareness and approval of agents/retailers, this is already changing. Architects, Builders and Corporate increasingly prefer MDF/Particle Board as a product as it’s cheaper and quicker to fit. The large office space and readymade complexes both commercial and residential are being developed with the greater acceptance of Indian families to move into readymade homes is set to propel the growth MDF/Particle Board in India. The surge in demand is likely to be the result of natural growth and increase in share of MDF and Particle board as panel being used to make furniture.

SUMMARY OF OUR BUSINESS

The following information should be read together with, other information included in the Draft Red Herring Prospectus, including the information contained in the section entitled "Risk Factors," beginning on page xiv of the Draft Red Herring Prospectus.

OVERVIEW

Our Company is a wood based interior furnishings solutions provider, primarily engaged in the manufacture of an array of wood based panel products which include medium density fibre ("**MDF**"), boards, particle boards, pre-laminated MDF and particle boards, laminates, flooring, door skins, panel doors, modular furniture and other allied products. The existing business of our Company comprises manufacturing the aforementioned products and trading in steel, chemicals, paper, thin boards and other related items required for the furniture industry, which include PVC wrapped profiles and PVC edge bends. We also trade in transferable export incentives by offering forward sell options to exporters and purchase options to the importers at deferred payment basis.

Incorporated as Shirdi International Engineers Private Limited on December 15, 1993, as a private company limited by shares under the Companies Act, our Company, was initially engaged in the business of providing consultancy services in connection with tax, export and import related matters. Subsequently, we ventured into trading in export incentives, wood based furnishing products and various commodities.

In the year 2002, our Company ventured into manufacturing of wood based panel products. Pursuant to an arrangement with Jyoti Panels Private Limited located at MIDC, Mhape, Navi Mumbai, a company engaged in the manufacture of doors and door-skins. In October, 2003, our Company acquired the operating plant and machinery and stock of raw material and finished goods from Jyoti Panels Private Limited and additionally invested in plant and machinery for production of Panel Doors and Furniture Components at Navi Mumbai. In December, 2006, our Company ceased its operations at Navi Mumbai and the plant and machinery was sold to M/s S N Sales Corporation, a partnership firm in which our Company was a partner. Subsequently, our Company retired as a partner from the aforesaid partnership firm and the plant and machinery sold to M/s. S N Sales Corporation was repurchased by us for the purposes of our Pantnagar unit and our Coimbatore unit. We commenced manufacturing operations from our Pantnagar unit in February 2007. We currently manufacture plain particle board, plain MDF Board, Pre-laminated Particle Board, pre-laminated MDF Board, high pressure laminates, doors and door skins, furniture, furniture components, and flooring at our manufacturing facilities at Pantnagar, Uttarakhand.

In 2009, our Company commenced production at our facility at Coimbatore for manufacturing of designer doors, panel doors, lamination of particle boards and MDF boards. Our Company took over some plant and machinery related to Particle board, Pre-lamination, impregnation, ceiling tiles and utility from Rampur plant of Kitply Limited for manufacturing facility at Coimbatore. We also expanded our manufacturing capacity for decorative laminates at our Pantnagar unit in 2009.

Our Company currently proposes to implement expansions at our manufacturing facilities at Pantnagar, Uttarakhand, and also establish a new manufacturing facility at Gummidipoondi near Chennai, Tamil Nadu, for establishing a MDF Plant for producing MDF board of thickness 8mm to 25mm and another MDF Plant for producing MDF board from 2.3mm to 8mm, decorative laminate line, a printing line and pre-lamination lines. We also propose to establish a manufacturing facility at Bhiwandi, District Thane, Maharashtra, for manufacturing edge solutions for wood based furniture products.

Our Company has executed agreements for exclusive distributorship rights in India for PVC wrapped profiles which are used for producing edge solutions in modular furniture, with M/s. AGT Furniture Components, Turkey, and with M/s. PROBOS – PLASTICOS SA, Portugal for the distribution of PVC edge bends, used to cover the edges of boards used for manufacturing furniture.

Our Company manufactures plain and pre-laminated particle boards conforming to E 1 grade and the production of MDF boards conforming to E 1 grade is in the advance stage of development. Our Company has received an ISO 9001-2008 certification for manufacture and supply of all the products manufactured in the plant located at Uttarakhand. The products manufactured by our Company qualify for ECO mark and related ISI standards and are marked on request.

Our Company's Pantnagar unit qualifies for Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) credits. The aforesaid unit is entitled to generate 82,000 units of both CDM and VCS credits per year. As per the current applicable procedure, our Company is entitled for VCS credit for a period of 30 years and CDM credit for 10 years from the date of commencement of our manufacturing facility at Pantnagar i.e. from February 2007. Currently, our Company has not accounted for income against the aforesaid credits till date.

The products manufactured by our Company are sold under the brand name of "ASIS" and enjoy reputation in the market and the present customers include builders in Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu and furniture manufacturers across the country. We have a nationwide sales and distribution network in the form of our own marketing offices, dealers, distributors, sub-dealers and retailers. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have a pan India marketing network consisting of 15 marketing offices and over 115 exclusive distributors.
We have implemented an enterprise resource planning ("**ERP**"), software system developed by SAP, which integrates the management and allocation of resources for all segments of our business operations ranging from human resources to quality control. We have also implemented a business intelligence system developed by SAP.

We have demonstrated consistent growth in our business and in our profitability. As per our restated financial statements included in the Draft Red Herring Prospectus, our Company's total income for the past three fiscals, from the fiscal ended March 31, 2007 through the fiscal ended March 31, 2009, grew at a CAGR of 59.74%, from Rs. 853.47 million to Rs. 2,177.75 million, respectively. During the same period, our Company's EBIDTA grew at a compound annual growth rate of 119.75%, from Rs. 104.57 million (EBIDTA margin of 12.25%) to Rs. 504.97 million (EBIDTA margin of 23.19%), respectively. For the nine month period ended December 31, 2009, our Company had total income of Rs. 1,768.49 million and an EBIDTA of Rs. 496.91 million (EBIDTA margin of 28.10%).

OUR STRENGTHS

- ***Diversified range of products and ability to manufacture and/or source allied products in addition to MDF and particle boards***

  Besides manufacturing plain and laminated MDF and particle boards, we also manufacture decorative laminates, door skins, panel doors and other allied furnishing products such as flooring. Our Company has executed agreements for exclusive distributorship rights in India for PVC wrapped profiles which are used for producing edge solution in modular furniture, with M/s. AGT Furniture Components, Turkey, and with M/s. PROBOS – PLASTICOS SA, Portugal for the distribution of PVC edge bends, used to cover the edges of boards used for manufacturing furniture. Our revenue stream comes from diverse domains and caters to the requirements of our customers, which in turn reduces our Company's dependence on a particular product. Moreover, our ability to manufacture multiple products under one roof at our Pantnagar unit result in relatively lower operating cost and relatively enhanced profitability, since the same results in cost saving in terms of shared overheads and resources across different product categories. It also reduces transportation costs for raw materials on account of the close vicinity of forests and improves logistics management as our dealers can place orders for multiple products resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

- ***Entry Barrier to the wood based panel products manufacturing industry, places us at an advantage***

  The manufacturing activities relating to the wood based panel products industry are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. Pursuant to the order of the Hon'ble Supreme Court dated October 29, 2002, unlicensed saw mills, veneer and plywood industries are not permitted to operate in India. Further, opening of a new saw mill, veneer or plywood industry requires a prior permission from the Central Empowered Committee. The grant of a license is further subject to strict compliance with the prescribed regulatory norms and relaxation of any of the norms is not permitted. These complexities in obtaining new licenses make it difficult for new players to enter the market. On wood based industries, the Honourable Supreme Court of India has given specific directives from time to time. We have been granted the requisite permissions from the state forest authorities with the prior permission from the Central Empowerment Committee. Statutory and/or regulatory requirements represent a large entry barrier in the interiors infrastructure segment and the wood based panel products manufacturing industry in India. We therefore believe that our production license gives us a relative first-movers and early entrants' advantage.

- ***Integrated manufacturing facilities coupled with modern infrastructure***

Our Company has a manufacturing facility at our Pantnagar unit. We have recently implemented the second phase of expansion and capacity addition at our Pantnagar unit and have also recently commissioned our second manufacturing facility at Coimbatore. Further, we propose to expand our manufacturing facilities at Pantnagar and also propose to commission our new manufacturing facility near Chennai, Tamil Nadu manufacturing decorative laminates and pre-lamination amongst others. Our investment in modern infrastructure and our ability to achieve optimum capacity utilization through our manufacturing processes contributes to economies of scale. We also propose to establish a manufacturing facility at Bhiwandi, District Thane, Maharashtra, for manufacturing edge solutions for wood based furniture products.

Our Company has installed telescopic belts, wind forming stations, automatic glue forming stations and advance PLC controls, which assures a relative consistent quality in production with relatively higher yield. Our Company's manufacturing capabilities include ability to manufacture boards with less density due to better controls on pressing parameters.

Further we have implemented an enterprise resource planning software system developed by SAP, ("**ERP**"), which integrates the management and allocation of resources for all segments of our business operations ranging from human resources to quality control. We believe that the ERP system, coupled with our strong internal and external control mechanisms facilitate our management and personnel to take informed decisions in managing our inventories, supply chain and consignment status across all products, locations and divisions across the country in a more efficacious and efficient manner.

- ***Cost efficient sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. Being a relatively large player in the MDF and particle board segment of the industry, with our experience and track-record, we believe we are able to procure raw material typically in a timely manner and at competitive prices. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms sourcing our raw material, manufacturing at relatively cheaper power tariff rates in the state of Uttarakhand and engaging labour at relatively lower costs. The key raw materials for the manufacture of our products are timber, resins, chemicals and paper. Our particle board and MDF unit is located strategically close to a rich raw material source in Uttarakhand. Kraft paper required for laminate manufacture is primarily sourced from various vendors. Our Company is entitled to avail the benefit of deduction under applicable provisions of the Income Tax Act, 1961, in relation to any profits and gains derived on account of our manufacturing facilities being situated in the state of Uttarakhand.

Our Company is entitled to avail of the following tax benefits for Uttarakhand plant, which enables our Company to offer the products at competitive rates -

a. Exemption from Entry Tax.
b. Lower rate of 1 % Central Sales Tax.
c. Exemption from Central Excise Duty for ten years from the financial year 2006-07.
d. Exemption of 100% from Income Tax for first 5 years with effect from FY 2006-07 and 30% for next 5 years.

- ***Sales and marketing capabilities and strong dealer network***

Our distribution network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery. Our dealer base is supported by an efficient sub dealer and distribution network and sales team, leading the products to retail outlets and making our products available on the shelf across most places at all times thereby reducing dealer stock levels and increased annual sales per dealer. Further, this network of retailers and dealers provides our customers with a first point of contact for us in each of our markets and our marketing efforts are further complimented by the direct involvement of our marketing team for each inquiry and order. We have a pan India marketing network consisting of 15 marketing offices and over 115 exclusive distributors.

- ***Experienced management***

Our management team has requisite mix of having academic backgrounds from the wood based panel product industry, business management, commerce, etc. They hold qualifications in engineering, designing, business management and accounting. In addition, our management team has considerable experience in the wood based panel products industry, with our Promoters having extensive knowledge and around 15 years of experience in connection with the import of wood based products and furnishing equipment. The members of our senior management have other diverse skills which have helped us to grow and develop us faster. Our management team's skills include marketing, sales management, strategic sourcing, supply chain management, domestic capital raising and implementing expansion projects. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the wood based panels sector.

OUR STRATEGY

- ***Capacity expansion for enhancing manufacturing capabilities in connection with our existing range of products, as well as for foraying into manufacturing new products and establishing manufacturing facilities at various geographical regions across the country.***

Since the commissioning of our plant at Pantnagar, Uttarakhand, our Company has steadily looked at expanding its manufacturing facilities and capacities in regular periodical intervals and in planned phases, to keep abreast with the growing demand for wood based and furnishing products. In the year 2008-09 our Company implemented the second phase of its expansion and diversification programme at its manufacturing facilities in Uttarakhand. Further, in October, 2009, our Company commissioned and commenced production of laminates, door skins, flooring and other products at our manufacturing facility located at Coimbatore. Our Company also expanded the capacity for manufacture of decorative laminates at Pantnagar, Uttaranchal. Our Company has acquired land at Gummidipoondi, near Chennai, Tamil Nadu, where we propose to establish manufacturing facilities for our existing range of products. We propose to become a complete integrated player with manufacturing and marketing capabilities in relation to a wide range of wood based products catering to the furnishing indusstry. As a part of this strategy our Company also proposes to establish manufacturing facilities for slitting of mother rolls of edge solutions for wood based panels in Bhiwandi, District Thane, Maharashtra. Pursuant to the aforementioned proposed expansion projects, our Company proposes to enhance our manufacturing capacities and add facilities for manufacturing plywood, veneers, continuous laminates and other furniture components in addition to our existing range of products, in order to consolidate our position as an integrated player in the wood based products and interior infrastructure and furnishing industry.

- ***Strengthen our brand value and create awareness for our products***

Our Company has been marketing the products manufactured and/or distributed by us under the brand name of 'ASIS'. Although relatively new in the wood-based products and furnishing industry, we believe our brand name has steadily gained recognition among consumers which is reflected by a continued growth in our sales figures over the course of the last three financial years. Our Company proposes to further strengthen the position of our brand and to create awareness for our products through a variety of aggressive brand promotion exercises in the media. In this regard our Company has executed contracts with leading television channels for telecast of commercials for our products. Further, as a part of our promotional initiatives for creating initiatives in the furnishing industry, our Company has signed a contract with Times Group by becoming title sponsor for a programme Design Warz for a period of three years. We believe the wood based products industry is gradually witnessing an emergence of organized players, which historically has otherwise been pre-dominantly unorganized. We seek to capitalize on our relative early-movers advantage in the organized space of the wood based products industry, in this environment and consequently, we believe it is essential for us to invest in strengthening our existing brand and to develop new brands in order to capitalize on our existing position in the market.

- ***Develop and strengthen our sales and distribution networks and introduce complete solutions for our customers***

  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. 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 depends on our ability to attract additional distributors to our distribution network. Preferences and perception of the consumers in India and globally in connection with furnishings and interior products and the introduction of new products in the furnishing sector impact our operations. The demand and popularity of MDF boards and particle boards in India is relatively lower as compared to plywood and other veneers. Accordingly, we will continue focussing on developing and strengthening our sales and distribution networks and our introducting intergarted solutions for the benefit of our customers. As a part of our sales and distribution strategy we propose to penetrate the domestic market further by opening new sales and marketing offices at various geographical locations across the country and by way of appointment of new distributors, sole selling agents and franchisees, at various locations including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities. Furthermore, we propose to maintain inventory at various locations by maintaining warehouses and go-downs which are strategically located, so as to save on transportation costs and expedite delivery time of our products. In order to provide complete integrated solutions in connection with our products we also propose to establish service centres for our products either on our own or in association with others with the objective of meeting the need of customers requiring furniture and finished items in customized manner and with relatively fast delivery schedules. As strategy of further integrating our business we propose to set up show rooms for display of furniture items manufactured by them in major cities.

- ***Focus on capitalizing on the growth in the real estate and the information technology sectors in India***

  Almost five per cent of the India's GDP is contributed to by the housing sector. In the next five years, this contribution to the GDP is expected to rise to 6 per cent. It has also been suggested that India's property sector could begin to improve from late 2009 and may attract up to US$ 12.11 billion in real estate investment over a five-year period. Almost 80 per cent of real estate developed in India is residential space, the rest comprises of offices, shopping malls, hotels and hospitals. According to the Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to middle- and lower-income groups. Further, the information technology, ("**IT**"), and IT-enabled services, ("**ITES**"), sector alone is estimated to require 150 million sq ft of office space across urban India by 2010. Organised retail is also responsible for the growth in commercial office space requirement. The organised retail industry is likely to require an additional 220 million square feet by 2010. Moreover, growth is not restricted to a few towns and cities but is pan-India, covering nearly all Tier-I and Tier-II cities. In light of the growing development in the real estate sector, particularly the housing sector and the ITES industry in India, we believe there would be a sustained growth in demand for wood-based furnishing products. Accordingly, we propose to approach office space and housing developers directly to capitalize on the growth in the real estate and the ITES sectors in India.

- ***Develop Export opportunities for our products***

  Our Company currently exports a range of decorative laminates and value added products made out of particle boards and MDF board, particularly in Gulf and African countries. We propose to continue to establish a global presence of our products through the export market in the near future. We have currently set-up one show room for our B2B customers at Bhiwandi, where we display the entire gamut of product offerings that we provide.

SUMMARY FINANCIAL INFORMATION

The following tables set forth our selected historical financial information derived from the restated financial information for the nine months period ended December 31, 2009 and years ended March 31, 2009, 2008, 2007, 2006 and 2005. The restated summary financial information presented below should be read in conjunction with the restated financial information included in this Draft Red Herring Prospectus, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 137 of the Draft Red Herring Prospectus.

A. RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs in millions)

Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Fixed Assets:						
Gross Block	2,130.07	2,024.46	1,259.01	1,311.53	94.24	89.11
Less : Depreciation	397.22	260.62	118.42	11.42	4.27	3.13
Net Block	**1,732.85**	**1,763.84**	**1,140.59**	**1,300.11**	**89.97**	**85.98**
Capital work in progress	15.48	24.04	154.91	-	429.31	9.75
Net Fixed Assets	**1,748.33**	**1,787.88**	**1,295.50**	**1,300.11**	**519.28**	**95.73**
Investment	**1.89**	**124.08**	**124.08**	**13.08**	**13.08**	**16.21**
Deferred Tax Assets (Net)	**-**	**-**	**-**	**-**	**0.27**	**0.34**
Foreign Currency Translation Reserve	**1.73**	**-**	**-**	**-**	**-**	**-**
Current Assets, Loans and Advances:						
Inventories	747.70	569.69	322.63	126.11	42.69	32.00
Sundry Debtors	976.18	554.36	607.66	392.40	40.08	11.65
Cash and Bank Balances	33.46	23.95	43.09	36.64	80.24	60.07
Loans and Advances	298.60	249.57	226.07	241.77	269.47	105.79
Total	**2,055.94**	**1,397.57**	**1,199.45**	**796.92**	**432.48**	**209.51**
Liabilities and Provisions:						
Secured Loans	1,925.35	1,950.56	1,515.60	801.47	320.17	50.57
Unsecured Loans	191.50	77.43	138.58	148.09	57.59	47.38
Current Liabilities and Provisions	663.69	429.03	276.84	590.40	274.35	65.60
Total	**2,780.54**	**2,457.02**	**1,931.02**	**1,539.96**	**652.11**	**163.55**
Deferred Tax Liabilities (net)	**63.25**	**46.04**	**41.57**	**26.30**	**-**	**-**
Net worth	**964.10**	**806.47**	**646.44**	**543.85**	**313.00**	**158.24**
Represented by						
1. Share Capital	177.51	177.51	173.07	194.41	184.41	163.07
2. Share application money pending allotment.	-	-	74.00	24.00	-	-
3. Reserves (Share Premium & General Reserves)	265.63	265.63	196.06	289.62	144.62	46.07
Add : Profit and Loss Account credit balance	520.96	363.33	203.31	35.82	-	-

Particulars	As at December 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Less : Profit and Loss Account debit balance	-	-	-	-	16.03	50.90
Net worth	**964.10**	**806.47**	**646.44**	**543.85**	**313.00**	**158.24**

B. RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT

(Rs in million)

Particulars	Nine Month Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Income						
Sales (Gross)						
Of products manufactured	1,323.99	1,719.50	1,216.97	24.12	295.91	63.36
Of products traded (including advance Licenses)	453.79	485.27	924.24	797.77	211.20	327.41
Consultancy Income	-	-	-	29.26	10.30	12.55
Less : Excise	0.06	-	-	-	-	-
Less : Discounts	18.32	46.78	15.92	0.72	-	-
Sales (Net)	**1,759.40**	**2,157.99**	**2,125.29**	**850.43**	**517.41**	**403.32**
Other income	9.09	19.76	6.33	3.04	10.58	0.37
Total Income	**1,768.49**	**2,177.75**	**2,131.62**	**853.47**	**527.99**	**403.69**
Expenditure						
Raw Materials consumed	429.15	793.39	537.72	37.93	231.02	82.24
Purchase of traded products	445.88	456.11	886.58	672.25	210.74	286.63
Staff Costs	70.40	93.92	56.26	8.01	5.30	4.27
Manufacturing and other expenses	300.46	388.14	341.57	51.12	23.85	56.35
Loss on Fixed Assets Discarded/ Sold	-	-	1.50	-	-	-
Finance Charges	185.39	199.46	154.76	12.54	6.32	3.11
Depreciation/Amortization	136.60	142.20	107.00	7.14	1.15	0.26
Decrease/(Increase) in inventories	25.69	(58.78)	(138.82)	(20.41)	(10.68)	(9.68)
Total Expenditure	**1,593.57**	**2,014.44**	**1,946.57**	**768.58**	**467.70**	**423.18**
Net Profit/(Loss) before tax and extraordinary items	**174.92**	**163.31**	**185.05**	**84.89**	**60.29**	**(19.49)**
Taxation	17.29	3.29	17.56	28.04	20.43	7.33
Net Profit/(Loss) after tax and extraordinary items	**157.63**	**160.02**	**167.49**	**56.85**	**39.86**	**(26.82)**
Balance brought forward from previous years as restated	363.33	203.31	35.82	(16.03)	(50.89)	(21.07)
Appropriation to General Reserve	-	-	-	5.00	5.00	3.00
Balance carried forward as restated	**520.96**	**363.33**	**203.31**	**35.82**	**(16.03)**	**(50.89)**

C. RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in millions)

	Particulars	For the Nine Month Period Ended December 31, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005
A)	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net Profit/(Loss) before Tax	**174.92**	**163.31**	**185.05**	**84.89**	**60.29**	**(19.49)**
	Adjustments for:						
	Depreciation	136.60	142.20	107.00	7.14	1.15	0.26
	Provision for doubtful debts and advances	-	11.93	6.78	1.95	2.70	40.77
	Share of profit from Partnership Firm	(0.43)					
	Profit on Sale of Investments	(4.96)					
	Loss on Fixed Assets Discarded/ Sold	-	-	1.50	-	-	-
	Provisions no longer required written back	(2.39)	-	(2.22)	-	-	-
	Interest Income	(1.12)	(12.09)	(1.84)	(2.30)	(6.02)	(0.37)
	Interest Expenses	179.10	193.55	145.40	11.97	5.82	2.94
	Operating Profit before Working Capital Changes	**481.72**	**498.90**	**441.67**	**103.65**	**63.94**	**24.11**
	Adjustments for :						
	(Increase)/Decrease in Sundry Debtors	(421.82)	41.38	(222.04)	(354.27)	(31.14)	6.30
	(Increase)/Decrease in Loans and Advances	(21.32)	(2.30)	23.79	40.35	(163.68)	(97.27)
	(Increase)/Decrease in Inventories	(178.02)	(247.06)	(196.51)	(83.43)	(10.68)	(9.68)
	Increase/(Decrease) in Current Liabilities and Provisions	217.38	136.44	(320.77)	328.27	195.46	35.12
	Cash generated from (used in) Operating Activities	**77.94**	**427.36**	**(273.86)**	**34.56**	**53.90**	**(41.42)**
	Direct Taxes Paid	(7.95)	(4.27)	(2.46)	(26.34)	(7.06)	(2.88)
	Net Cash from (used in) Operating Activities	**69.99**	**423.09**	**(276.32)**	**8.23**	**46.84**	**(44.30)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of Fixed Assets	(109.18)	(634.58)	(217.28)	(787.95)	(424.73)	(19.74)
	Proceeds from Sale/(Purchase) of Investments	127.57	-	(111.00)	-	3.13	4.52
	Deposits (with maturity more than three months)	(3.65)	(17.58)	(0.99)	(0.82)	-	-
	Interest received	1.12	12.09	1.84	2.30	6.02	0.37
	Net Cash from (used in) Investing Activities	**15.86**	**(640.07)**	**(327.43)**	**(786.47)**	**(415.58)**	**(14.85)**

	Particulars	For the Nine Month Period Ended December 31, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005
C)	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from Issue of Share Capital (including Share Premium & Share Application)	-	-	50.00	174.00	114.89	54.00
	Proceeds of Long Term Borrowings	(72.37)	277.39	202.22	471.08	269.60	11.80
	Proceeds from unsecured loans	114.06	(61.15)	(9.52)	90.50	10.23	47.36
	Working Capital Finance	54.67	144.98	509.91	10.21	-	-
	Interest Paid	(176.36)	(180.94)	(143.41)	(11.97)	(5.82)	(2.94)
	Net Cash from / (used in) Financing Activities	**(80.00)**	**180.28**	**609.20**	**733.82**	**388.87**	**110.22**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**5.85**	**(36.70)**	**5.45**	**(44.42)**	**20.17**	**51.07**
	Cash and Cash Equivalents as at beginning of the Year/ period	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**	**9.00**
	Cash and Cash Equivalents as at end of the Year/ period	**10.42**	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**
	Cash and Cash Equivalents include:						
	Cash-in-Hand	3.27	0.60	3.64	10.62	11.96	4.78
	Balances with Scheduled Banks in						
	-Current Accounts	4.91	0.54	35.85	3.56	16.56	18.98
	-Deposit account	25.28	20.03	1.81	0.82	51.72	36.32
	-Margin Money	-	2.78	1.79	21.64	-	-
	Total	**33.46**	**23.95**	**43.09**	**36.64**	**80.24**	**60.07**
	Less: - Fixed deposits not considered as cash equivalents	23.04	19.38	1.82	0.82	-	-
	Cash & Cash Equivalents in Cash Flow Statement	**10.42**	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**

THE ISSUE

Equity Shares offered:	
Issue to the Public	6,500,000 Equity Shares
QIB Portion[(1)(2)] (allocation on a proportionate basis)	Up to 3,250,000 Equity Shares to be Allotted
Out of which:	
a) Reservation for Mutual Funds	162,500 Equity Shares
b) Balance for all QIBs including Mutual Funds	3,087,500 Equity Shares
Non Institutional Portion[(2)] (allocation on a proportionate Basis)	Not less than 975,000 Equity Shares available for allocation
Retail Portion [(2)] (allocation on a proportionate basis)	Not less than 2,275,000 Equity Shares available for allocation
Equity Shares outstanding prior to the Issue	17,306,580 Equity Shares
Equity Shares outstanding after the Issue	23,806,580 Equity shares
Use of Issue proceeds	Please see the section titled "Objects of the Issue" beginning on page 39 of the Draft Red Herring Prospectus.

---

(1) Allocation to QIBs is proportionate as per the terms of the Draft Red Herring Prospectus. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. **QIBs will not be allowed to withdraw their Bid-cum-Application Forms after the Bid/Issue Closing Date.**

(2) Subject to valid bids being received at or above the Issue Price allocation shall be made on the proportionate basis (other than Anchor Investor Portion). Under-subscription, if any, in any category would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

GENERAL INFORMATION

Our Company was originally incorporated as Shirdi International Engineers Private Limited on December 15, 1993. The name of our Company was changed to Shirdi Industries Private Limited on May 9, 1997 and a fresh certificate of incorporation upon change of name was issued by the Registrar of Companies, Maharashtra on May 9, 1997. Our Company was then converted into a Public Limited Company and its name was changed to Shirdi Industries Limited vide certificate dated June 12, 1997. The registered office of our Company changed from 602, Vandana Apartments, Malvani, Marve Road, Malad (West), Mumbai – 400 095 to "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (West), Mumbai – 400028 with effect from June 13, 1997

Registered Office and Corporate Office of our Company
Shirdi Industries Limited "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (W), Mumbai – 400028 Tel: +91 22 24318550 Fax: +91 22 24372200 Email: ipo@asisindia.com Registration Number: 11-75613 Company Identification Number: U51900MH1993PLC075613

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra situated at the following address:

Registrar of Companies, Maharashtra
100 Everest
Marine Drive
Mumbai 400 002
Tel.: +91 22 2281 2639

Board of Directors

Our Board comprises the following:

Name and Designation	Nature of Directorship	DIN
Mr. Piyush Goyal	Chairman, Non- Executive Director	00024431
Mr. Rakesh Kumar Agarwal	Managing Director and Executive Director	00244328
Mr. Sarvesh Agarwal	Executive and Whole time Director	00244881
Mr. Hariram Agarwal	Non- Executive Director	00245032
Mr. Mukesh Bansal	Non- Executive Director	00244474
Mr. Anand Kumar Jain	Independent Director	00056184
Mr. Ravish Chand Jain	Non-Executive Director	00056227
Mr. Sujay Kantawala	Independent Director	00271102

Name and Designation	Nature of Directorship	DIN
Mr Jasbir Singh Bhullar	Independent Director	00271251
Mr B.V. Rao	Whole time Dircetor	02859677
Mr. Mahabir P. Agrawall	Independent Director	00040364

For further details of our Directors, see section titled "Our Management" on page 107 of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Ms. Neelam Shah. Her contact details are as follows:
Address: "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (W), Mumbai – 400028
Tel: 91-22-2431 8550
Fax: 91-22-2437 2200
Email: ipo@asisindia.com

Investors can contact the Compliance Officer and / or the Registrar to the Issue and / or the Book Running Lead Managers to the Issue in case of pre-Issue or post-Issue related problems such as non-receipt of letters of Allocation, credit of allotted Equity Shares in the respective beneficiary account, receipt of refund orders if any etc.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Managers. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

Book Running Lead Managers

Collins Stewart Inga Private Limited
A-404 Neelam Centre
Hind Cycle Road, Worli
Mumbai 400030
Tel: +91-22-24982919
Fax: +91-22-24982956
Email: shirdi.ipo@csinga.com
Website: www.csinga.com
Contact Person: Mr. Venkata Raveendra R/Ms. Shruti Vishwanath

YES BANK Limited
Nehru Centre
12th Floor, Discovery of India
Dr. A. B. Road, Worli,
Mumbai 400 018, India
Tel: +91 22 6669 9000
Fax: +91 22 2497 4158
Email: dlshirdiipo@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Gautam Badalia

Self Certified Syndicate Banks

The list of banks that 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 SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI website

Legal Advisor to the Issue

J Sagar Associates
Vakils House,
18, Sprott Road
Ballard Estate
Mumbai- 400 001
Tel: +91-22-6656 1500
Fax: +91-22-6656 1515
Email: mumbai.helpdesk@jsalaw.com

Registrar to the Issue

Link IntimeIndia Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai 400078
Tel: +91-22-25960320
Fax: +91-22-25940329
Email: [●]
Website: www.linkintime.co.in

Bankers to the Issue and Escrow Collection Banks
[●]

Bankers to the Company

State Bank of India
Sir P.M. Road Branch,
Fort,
Mumbai – 400 001
Tel:- +91-22-22613976
Fax:- +91-22-22612554

Union Bank of India
Mumbai Samachar Marg,
Mumbai – 400023
Tel:- +91-22-2262 9457
Fax:- +91-22-2264 2703
Email:- cbsifmsmarg@unionbankofindia.com

UCO Bank
UCO Bank Building, 359,
D.N. Road,
Mumbai – 400023
Tel:- +91-22-4018 0204
Fax:- +91-22-4018 0202/010
Email:-bo.mccdnroad@ucobank.co.in

Bank of India
4th Floor, 70-08,
M.G. Road, Fort,

Mumbai – 400001
Tel:- +91-22-2265 0642
Fax:- +91-22-2267 1718
Email:- mumbai.lcbb@bankofindia.co.in

Indian Bank
Sir P.M. Road,
United India Building, Fort,
Mumbai – 400001
Tel:- +91-22-2266 2462
Fax:- +91-22-2266 0769
Email:- creditmumbaifort@indiabank.co.in

Standard Chartered Bank
270, D.N. Road, Fort,
Mumbai – 400001
Tel:- +91-22-2219 8654
Fax:- +91-22-2201 9246
Email:-shilpa.joshi@sc.com

Auditors to the Company

S.R. Batliboi & Co.
Golf View Corporate Tower- B, Sector 42,
Sector Road, Gurgaon -122 002,
Haryana, India 122 002
India
Tel: +91-124-464 4000
Fax: +91-121-464 4050
Email: SRBC@in.ey.com
Registration No: 301003E

Statement of inter-se allocation of responsibilities between the BRLMs:

The inter-se allocation of responsibilities in connection with the Issue between the BRLMs shall be as follows:

Activities	Responsibility	Co-ordinator
The activities or sub-activities may be grouped on the following lines:		
(a) Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	CSInga / YES BANK	CSInga
(b) Drafting and design of the offer document and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document.	CSInga / YES BANK	CSInga
(c) Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, bankers to the issue, etc.	CSInga/ YES BANK	YES BANK
(d) Marketing of the issue, which shall cover, *inter alia*, formulating marketing strategies, (i) centres for holding conferences of stock brokers, investors, etc.	CSInga/ YES BANK	YES BANK
(e) Preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) collection centres as per schedule III, (iii) brokers to the issue, and (iv) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus	CSInga / YES BANK	CSInga

Activities	Responsibility	Co-ordinator
and brochure and deciding upon the quantum of issue material.		
(f) Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, despatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc.	YES BANK	YES BANK

Even if any of these activities are handled by other intermediaries, the Book Running Lead Managers shall be responsible for ensuring that these agencies fulfill their functions through suitable agreements with our Company and for ensuring compliance with the SEBI Regulations and other requirements and formalities specified by the RoC, the SEBI and the Stock Exchanges.

Credit Rating

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

Monitoring Agency

Since the Issue size is less than Rs. 5,000 million, there is no requirement for appointment of a monitoring agency, as prescribed under the provisions of the SEBI Regulations.

IPO Grading

This issue has been graded by [●] and has been assigned [●] indicating [●]. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For details in relation to the report of the grading agency, please see annexures on page 269. Attention is drawn to the disclaimer on page 187. A copy of the report provided by [●], furnishing the rationale for its grading is available for inspection at our registered office from 10 am to 4 pm on business days during the bidding period.

Caution

Neither our Company nor the Book Running Lead Managers or any other member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and their associates and affiliates may engage in transactions with, and perform services for, our Company and Group Companies, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

Experts

Except as disclosed in the Draft Red Herring Prospectus and the report of [●] in respect of IPO Grading of this issue annexed here with, our Company has not obtained any expert opinions.

Trustee

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

Book Building Process

Book Building refers to the process of collection of bids from investors on the basis of the Red Herring Prospectus within the Price Band. This Issue Price is determined by our Company, in consultation with the BRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) Our Company;
(2) The Book Running Lead Managers, in this Issue being Collins Stewart Inga Private Limited and YES BANK Limited;
(3) The Syndicate Members, in this Issue being [●];
(4) The Registrar to the Issue, in this Issue being Link Intime India Private Limited;
(5) The Escrow Collection Banks; and
(6) The SCSBs.

This Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue shall be allotted on a proportionate basis to QIBs, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Provided that our Company may allocate up to 30% of the QIB portion to the Anchor Investors on discretionary basis. 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.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. Allocation to QIBs will be on a proportionate basis. For details please see the section titled "Issue Structure" beginning on page 196 of the Draft Red Herring Prospectus. Anchor Investors are not allowed to withdraw their Bids after the Bid/Issue Closing date. QIBs that are Anchor Investors are required to pay their Bid Amount in full at the time of submission of the Bid Allocation to QIBs will be on a proportionate basis and allocation to Anchor Investors will be on discretionary basis. For details please see the section titled "Issue Structure" beginning on page 196 of this Draft Red Herring Prospectus.

The process of Book Building under SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI in connection with the issue of securities by an Indian company to the public in India. In this regard, our Company has appointed Collins Stewart Inga Private Limited and YES Bank Limited as the BRLMs to manage the Issue and to procure subscriptions for the Issue.

Steps to be taken by the Bidders for bidding:

(1) Check eligibility for making a Bid, see the section titled "Issue Procedure" of the Draft Red Herring Prospectus;
(2) Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
(3) Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form; and
(4) Ensure that the Bid-cum-Application Form is accompanied by the Permanent Account Number together with necessary documents providing proof of address. For details, please see the section titled "Issue Procedure" beginning on page 200 of the Draft Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs.20 to Rs.24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates 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 equity shares Bid for	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired 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 BRLMs, will finalize the issue price at or below such cut off, 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 by the Bidders for Bidding

1. Check eligibility for making a Bid (see "Issue Procedure - Who Can Bid?" on page 200 of the Draft Red Herring Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form; and

5. Bids by QIBs will only have to be submitted to the BRLMs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of notification of withdrawal of the issue.

In the event that the Company decides not to proceed with the Issue after Bid/ Issue Closing Date, the Company would be required to file fresh draft red herring prospectus with SEBI.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

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

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form or incase of bids submitted through ASBA, the designated branches of the SCSBs except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders (ii) till until 5.00 p.m. in case of Bids by Retail Individual Bidders. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are advised that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday). Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

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

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to filing of the Prospectus with RoC, our Company and the Underwriters intend to enter into an Underwriting Agreement for the underwriting of the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill its underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	**[●]**	**[●]**

The above-mentioned amount is an indicative underwriting and would be finalized after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement has been entered into on [●], 2010 and has been approved by our Company's Board of Directors.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the terms of the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each Underwriter is registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchanges.

CAPITAL STRUCTURE

The share capital of the Company as at the date of filing the Draft Red Herring Prospectus, before and after the Issue, is set forth below.

	Aggregate nominal Value (in Rs.)	Aggregate value at Issue Price (in Rs.)
A. Authorized Share Capital		
30,000,000 Equity Shares of face value of Rs 10 each	300,000,000	
B. Issued, Subscribed and Paid-up Equity Capital		
17,306,580 Equity Shares of Rs 10/- each fully paid up	173,065,800	
C. Present Issue in terms of the Draft Red Herring Prospectus		
6,500,000 Equity shares	65,000,000	[●]
D. Paid up capital after the Issue		
23,806,580 Equity shares	238,065,800	[●]
E. Share Premium Account		
*Before the Issue**	245,560,000	-
After the Issue	[●]	[●]

* The share premium account of our Company was Rs. 245,560,000 as on December 31, 2009. Thereafter there has been no change in the share premium account of our Company.

Changes in Authorised Share Capital

Sr No.	Date of Shareholders Meeting	Changes in the Authorised Share Capital
1.	-	The initial authorized share capital of our Company pursuant to incorporation was Rs 50,00,000 divided into 50,000 equity shares of Rs 100 each
2.	December 2, 1994	The initial authorized share capital of Rs 50,00,000 divided into 50,000 equity shares of Rs 100 each was reorganized to Rs 50,00,000 divided into 500,000 equity shares of Rs 10 each pursuant to a sub-division of the face value of the equity shares of our Company from Rs. 100 each to Rs. 10 each.
3.	February 03, 1998	The authorized share capital of Rs 50,00,000 divided into 5,00,000 equity shares of Rs 10 each was increased to Rs 3,50,00,000 divided into 35,00,000 equity shares of Rs 10 each.
4.	December 05, 2001	The authorized share capital of Rs 3,50,00,000 divided into 35,00,000 equity shares of Rs 10 each was increased to Rs 10,00,00,000 divided into 1,00,00,000 equity shares of Rs 10 each.
5.	March 22, 2004	The authorized share capital of Rs 10,00,00,000 divided into 1,00,00,000 equity shares of Rs 10 each was increased to Rs 15,00,00,000 divided into 1,50,00,000 equity shares of Rs 10 each.
6.	August 31, 2004	The authorized share capital of Rs 15,00,00,000 divided into 1,50,00,000 equity shares of Rs 10 each was increased to Rs 21,00,00,000 divided into 2,10,00,000 equity shares of Rs 10 each.
7.	October 31, 2005	The authorized share capital of Rs 21,00,00,000 divided into 2,10,00,000 equity shares of Rs 10 each was increased to Rs 30,00,00,000 divided into 3,00,00,000 equity shares of Rs 10 each.

Notes to the Capital Structure

1. Share Capital History of our Company

Equity Share Capital

a. The following is the history of the equity share capital of our Company

Date of Allotment	Number of Equity Shares	Face Value (Rs.)s	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative No. of Equity Shares
November 03, 1993	20	100	100	Cash	Subscribers to the Memorandum of Association	20
March 28, 1994	730	100	100	Cash	Allotment of equity shares to Rakesh Kumar Agarwal, Anita Bansal, Rukmani Agarwal, Mukesh Bansal, Anu Agarwal, Sarvesh Agarwal	750
December 2, 1994	-	-	-	-	Sub-division of the face value of the Equity Shares of our Company from Rs. 100 to Rs. 10/- per Equity Share	7,500
March 31, 1996	492,500	10	10	Cash	Allotment of equity shares to Anita Bansal, Sarvesh Agarwal, Sajal Finance and Investment Private Limited	500,000
February 12, 1998	2,533,650	10	10	Cash	Allotment of equity shares to Pratibha Finance and Investments Private Limited, Dytel Finance and Investment Private Limited, Manhar Properties Private	3,033,650

Date of Allotment	Number of Equity Shares	Face Value (Rs.)s	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative No. of Equity Shares
					Limited, Anu Agarwal, Rukmani Agarwal, Mukesh Bansal, Sajal Finance and Investment Private Limited, Anita Bansal, Rakesh Kumar Agarwal, Sarvesh Agarwal, Mohan P Kala, Keshav Sharma, ABC Media Private Limited, Remco Properties Private Limited, Rachana Finance and Investments Private Limited, and Emeca Finance and Investments Private Limited	
December 15, 2001	2,662,500	10	10	Cash	Allotment of Equity Shares to Broadvision Finance Private Limited, Delta Polyplast Private Limited, Tria Impex Limited, Carol Exim and Trade Private Limited, Rishabh Div Techno Cable Limited, Narsimha Manufacturing (India) Private Limited, Kyvalya Traders Private Limited, Vyshnavi Real Estate Private	56,96,150

Date of Allotment	Number of Equity Shares	Face Value (Rs.)s	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative No. of Equity Shares
					Limited, Divya Info Tech Private Limited, Veera Merchantile Private Limited, Rounak Securities Private Limited, Sapna Sagar Trading Company Private Limited, Decimals Steel and Trading Private Limited, M/s. Magestic Fiscal Co. Private Limited, Sarthi Steel and Trading Private Limited, Shambhav Trade Agency Private Limited, Sava Engineers Private Limited, Narvada Capitals Private Limited, R. K. B. Fiscal Occupation Services Limited, Arun Finance Trade Limited, Monarch Securities Private Limited, Ramya Trading Private Limited, Skokie Traders Private Limited, Ms. Aruna G Bissa, Mr. RajKumar M Sharma, Ms. Manju S Agarwal, Mr.	

Date of Allotment	Number of Equity Shares	Face Value (Rs.)s	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative No. of Equity Shares
					Manoj D Purohit, Mr. Krishan P Vaidya, Mr. Sunil H Agarwal, Mr. Suresh S Sarawagi, Mr. Manoj H Agarwal, Mr. Prakash Patel, Mr. Jayanti Lal Patel, Mr. Daya Lal Trivedi, Mr. Babulal N Bhansali, Ms. Prabhat Jain and Mr. Haresh B Pandey	
February 04, 2002	3,810,430	10	10	Cash	Allotment of Equity Shares to Anita Bansal, Hariram Agarwal, Rakesh Kumar Agarwal, Mukesh Bansal, Sarvesh Agarwal, Rukmani Agarwal, Anu Agarwal, Asha Agarwal, Asis Overseas Private Limited, Devika Trading Private Limited, Sajal finance and Investment Private Limited, and Dytel Finance and Investments Private Limited	9,506,580
March 31, 2004	5,000,000	10	10	Cash	Allotment of Equity Shares to Asis Industries Private Limited	14,506,580

Date of Allotment	Number of Equity Shares	Face Value (Rs.)s	Issue Price (Rs.)	Nature of Consideration	Reason for Allotment	Cumulative No. of Equity Shares
February 28, 2005	18,00,000	10	20	Cash	Allotment of Equity Shares to Asis Industries Private Limited, and Labh Capital Services Private Limited	16,306,580
September 16, 2005	1,742,000	10	53.84	Consideration other than Cash*	Allotment of Equity Shares to Klinkert Limited	18,048,580
December 16, 2005	392,000	10	53.84	Consideration other than Cash*	Allotment of Equity Shares to Klinkert Limited	18,440,580
March 27,2007	1,000,000	10	150	Cash	Allotment of Equity Shares to Asis Industries Private Limited	19,440,580
March 30, 2008	(2,134,000)	-	-		Buy back of Equity Shares**	17,306,580
April 25,2008	1,480,000	10***	150	Cash	Allotment of Equity Shares to M/s Gemini Industries and Imaging Limited and M/s Hindustan Infrastructure Projects and Engineering Private Limited	18,786,580
March 15, 2010	(1,480,000)	-	-	-	Cancellation of forfeited Equity Shares ****	17,306,580

* Issue of Equity Shares at a premium of Rs. 43.84 for consideration of supply of plant and machinery as per the shareholders agreement dated March 6, 2005 and supplementary agreement dated September 16, 2005 with M/s Klinkert Limited.

** Pursuant to the Memorandum for settlement of claim for damages dated March 27, 2007 between M/s Klinkert Limited and our Company, M/s Klinkert Limited has transferred 2,134,000 equity shares in favour of Asis Industries Private Limited for total consideration of Euro 100/-. Pursuant to a resolution dated February 23, 2008 passed by the Board of Directors of our Company, the Company has bought back 2,134,000 equity shares aggregating to Rs. 213,400 from Asis Industries Private Limited with effect from March 30, 2008.

*** Issue of partly paid-up Equity Shares wherein Rs. 3 was paid toward the face value of each Equity Share and Rs. 47 was paid towards the premium.

**** On December 15, 2008, our Company has forfeited 1,480,000 equity shares allotted to M/s Gemini Industries and Imaging Limited and M/s Hindustan Infrastructure Projects and Engineering Private

Limited. Pursuant to the shareholders resolution dated March 15, 2010, our Company has decided to cancel such shares so forfeited.

b. The following shares were allotted for consideration other than in cash:

Date of Allotment and when made fully paid up	Number of Equity Shares and nature of Allotment	Face Value (Rs.)	Issue Price (Rs.)	Reasons for the Issue	Benefits accrued to the Company pursuant to the Allotment
September 16, 2005	Further Allotment of 17,42,000 equity shares to Klinkert Limited	10	53.84	Shares were allotted in consideration of supply of MDF and Particle Board Manufacturing Plant by M/s. Klinkert Limited to our Company pursuant to the shareholders agreement dated March 6, 2005 and supplementary agreement dated September 16, 2005 with M/s Klinkert Limited *	Supply of MDF and Particle Board Manufacturing Plant by M/s. Klinkert Limited to our Company
December 16, 2005	Further Allotment of 3,92,000 equity shares to Klinkert Limited	10	53.84	Shares were allotted in consideration of supply of MDF and Particle Board Manufacturing Plant by M/s. Klinkert Limited to our Company pursuant to the shareholders agreement dated March 6, 2005 and supplementary agreement dated September 16, 2005 with M/s Klinkert Limited *	Supply of MDF and Particle Board Manufacturing Plant by M/s. Klinkert Limited to our Company
** Pursuant to the Memorandum for settlement of claim for damages dated March 27, 2007 between M/s Klinkert Limited and our Company, M/s Klinkert Limited has transferred 21,34,000 equity shares in favour of Asis Industries Private Limited for total consideration of Euro 100/-. Pursuant to a resolution dated February 23, 2008 passed by the board of directors of our Company, the Company has bought back 21,34,000 equity shares aggregating to Rs. 213,400 from Asis Industries Private Limited with effect from March 30, 2008.*					

c. Our Company has not issued any Equity Shares or other securities pursuant to any scheme under sections 391-394 of the Companies Act, 1956, as approved by a High Court.

d. Our Company has not issued any Equity Shares at a price lower than the Issue price in the last one year immediately preceding the date of the Draft Red Herring Prospectus.

2. Details of Built up of our Promoters

The Equity Shares held by the Promoters were allotted /acquired in the following manner:

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Consideration (Cash, Bonus, kind, etc.)/ Nature of the Issue	No of Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)
Mr Rakesh Kumar Agarwal						
1.	November 03, 1993	Subscription	Cash	10	100	100
2.	March 28, 1994	Allotment	Cash	205	100	100
The Face Value of the Equity Shares of our Company was sub-divided from Rs 100 each to Rs 10 each w.e.f. December 02, 1994						
3.	February 12, 1998	Allotment	Cash	13,350	10	10
4.	February 04, 2002	Allotment	Cash	329,940	10	10
5.	October 24, 2003	Transfer	Cash	980,000	10	10
Total (A)				**1,325,440**		
Mr Mukesh Bansal						
1.	March 28, 1994	Allotment	Cash	50	100	100
The Face Value of the Equity Shares of our Company was sub-divided from Rs 100 each to Rs 10 each w.e.f. December 02, 1994						
2.	February 12, 1998	Allotment	Cash	268,690	10	10
3.	February 04,2002	Allotment	Cash	12,000	10	10
4.	October 24,2003	Transfer	Cash	1,012,500	10	10
Total (B)				**1,293,690**		
Mr Sarvesh Agarwal						
1.	March 28, 1994	Allotment	Cash	70	100	100
The Face Value of the Equity Shares of our Company was sub-divided from Rs 100 each to Rs 10 each w.e.f. December 02, 1994						
2.	March 31, 1996	Allotment	Cash	7,000	10	10
3.	February 12, 1998	Allotment	Cash	4,000	10	10
4.	February 04, 2002	Allotment	Cash	27,570	10	10
5.	October 24, 2003	Transfer	Cash	672,500	10	10
Total (C)				**711,770**	10	10
Mr Hariram Agarwal						
1.	February 04, 2002	Allotment	Cash	406,200	10	10
Total (D)				**406,200**	10	10
Asis Industries Private Limited						
1.	March 31, 2004	Allotment	Cash	5,000,000	10	10
2.	February 28, 2005	Allotment	Cash	1,300,000	10	20

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Consideration (Cash, Bonus, kind, etc.)/ Nature of the Issue	No of Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)
3.	March 27, 2007	Allotment	Cash	1,000,000	10	150
4.	March 27, 2007	Transfer	Cash	1,742,000	10	0.10
5.	March 27, 2007	Transfer	Cash	392,000	10	0.10
6.	March 30, 2008	Sale *	Cash	(2,134,000)	10	0.10
7.	March 31, 2008	Transfer	Cash	990,000	10	10
Total (E)				**8,290,000**		
Grand Total (A+B+C+D+E)				**12,027,100**		

** Pursuant to a resolution dated February 23, 2008 passed by the Board of Directors, our Company has bought back 2,134,000 equity shares aggregating to Rs. 213,400 from Asis Industries Private Limited with effect from March 30, 2008.*

3. Details of the aggregate shareholding of the Promoter Group (other than Promoters) and/or directors of Asis Industries Private Limited, our corporate Promoter, in our Company, as on the date of the Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the shareholder	Number of shares	Percentage of shareholding
1.	Mr. Rakesh Agarwal	1,325,440	7.65%
2.	Mr. Mukesh Bansal	1,293,690	7.48%
3.	Mr. Hariram Agarwal	4,06,200	2.35%
4.	Mr. Sarvesh Agarwal	7,11,770	4.11%

4. No Equity Shares have been purchased or sold by the Promoter Group and/or by the directors of the Asis Industries Private Limited within six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

5. No Equity Shares have been purchased or sold by the directors of our Company and their immediate relatives within six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

6. There have been no transactions or financing of any transaction(s) in the securities of our Company by our Promoters, other persons/entities constituting the Promoter Group, the directors of our corporate Promoter, namely Asis Industries Private Limited, the directors of our Company and their relatives in the last six months.

7. Promoters' Contribution and Lock -in

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters for a period of three years from the date of commercial production or the date of Allotment, whichever is later. The Equity Shares, which are being locked-in, are not ineligible for computation of *Promoter's* contribution under the SEBI Regulations. Equity shares offered by Promoters and offered for minimum promoter contribution are not subject to pledge.

a. Details of the Equity Shares forming part of the Promoters' contribution, which shall be lock-in for three years, are as follows:

Date of Allotment/ Acquisition	Consideration	No. of Equity Shares	Issue/ Acquisition Price (Rs.)	% of Pre-Issue paid up capital (%)	% of Post-issue paid up capital (%)
Mr. Rakesh Agarwal					
October 24, 2003	Cash	524,981	10	3.03	2.21
Mr. Mukesh Bansal					
October 24, 2003	Cash	512,406	10	2.96	2.15
Mr. Sarvesh Agarwal					
October 24, 2003	Cash	281,919	10	1.63	1.18
Mr. Hariram Agarwal					
February 4, 2002	Cash	160,888	10	0.93	0.68
Asis Industries Private Limited					
March 31, 2004	Cash	3,283,506	10	18.97	13.79
	Total	**4,763,700**	-	**27.53**	**20.01**

b. Details of Pre-Issue Equity Share capital locked in for one year:

In terms of the SEBI Regulations, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the balance pre-Issue share capital of the Company (12,542,880 Equity Shares) shall be locked-in for a period of one year from the date of Allotment in the Issue. The Promoters have given an undertaking whereby they have consented to offer such number of Equity Shares held by them to be considered as promoters' contribution which aggregate to 20% of the post-Issue equity share capital and are locked-in for a period of three years from the date of Allotment or the date of commercial production, whichever is later. Further, the Promoters have consented to not sell/transfer/dispose of in any manner, Equity Shares forming part of the Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in, i.e. till the date of allotment of Equity Shares pursuant to the Issue or the date of commercial production, whichever is later.

c. *Lock in of Equity Shares Allotted to Anchor Investors*

Equity Shares, if Allotted to Anchor Investors, in the Anchor Investor Portion, shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

In terms of the SEBI Regulations, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters' contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

In terms of the SEBI Regulations, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per the SEBI Regulations, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of the SEBI Regulations, the Equity Shares held by the Promoters may be transferred to another Promoter or any person of the Promoter Group or a new promoter or a person in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Moreover, the Equity Shares which are subject to lock-in as provided above, shall carry the inscription "non-transferable" and lock in period and the non transferability of such Equity Shares shall be intimated to the NSDL and CDSL. The details of the lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares issued pursuant to this Issue.

8. Shareholding pattern of our Company

The table below presents the shareholding pattern of Equity Shares before and after the proposed issue:

	Category of shareholder	**No. of shareholders**	**Total No. of shares**	**No. of shares held in de materialized form**	**Total shareholding as a percentage of total no. of shares**		**Shares pledged or otherwise encumbered**	
					As a percentage of (A+B)	**As a percentage of (A+B+C)**	**Number of shares**	**As a percentage of (A+B+C)**
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)=(VIII)/(IV)*100**
(A)	**Shareholding of Promoter and Promoter Group**						Nil	Nil
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	8	5,588,980	5588980	32.29	32.29		
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	7	11,717,600	1,1717,600	67.71	67.71	Nil	Nil
(d)	Financial Institutions/Banks							
(e)	Any Other (specify)							
	Sub-Total (A) (1)	**15**	**17,306,580**	**17,306,580**	**100.00**	**100.00**	**Nil**	**Nil**
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/Foreign individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Other (specify)							
	Sub-Total (A) (2)	**0**	**0**	**0**	**0**	**0**		
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**15**	**17,306,580**	**17,306,580**	**100.00**	**100.00**	**Nil**	**Nil**
(B)	**Public Shareholding**		N.A.					
(1)	**Institutions**							

	Category of shareholder	No. of shareholders	Total No. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total no. of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage of (A+B+C)
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)=(VIII)/(IV)*100**
(a)	Mutual Funds /UTI							
(b)	Financial Institutions/Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	Sub-Total (B) (1)							
(2)	**Non-Institutions**							
(a)	Bodies Corporate							
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh							
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh							
(c)	Any Other (specify)							
	i. Clearing Members							
	ii. Non Resident Indians							
	iii. Non Resident (Non Repatriables)							
	iv.Trusts							
	Sub-Total (B) (2)							
	Total Public Shareholding (B) = (B)(1)+(B)(2)							
	Total (A) + (B)							
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
	GRAND TOTAL (A)+(B)+(C)	**15**	**17,306,580**	**17,306,580**	**100.00**	**100.00**	**Nil**	**Nil**

9. Each of the Company, its Directors, the Promoters, the Promoter Group, their respective directors and the BRLMs have not entered into any buy-back and/or safety net and/or standby arrangements for purchase of Equity Shares from any person.

10. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

a. As of the date of filing and ten days prior to the filing of the Draft Red Herring Prospectus

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	M/s. Asis Industries Private Limited	82,90,000
2.	Mr Rakesh Kumar Agarwal	13,25,440
3.	M/s. Labh Capital and Services Private Limited	13,23,600
4.	Mr Mukesh Bansal	12,93,690
5.	M/s. Rachana Finance and Investment Private Limited	9,65,000
6.	Mrs. Anu Agarwal	7,34,630
7.	M/s. Sajal Finance & Investment P. Ltd.	7,25,000
8.	Mr. Sarvesh Hariram Agarwal	7,11,770
9.	Mrs. Anita Bansal	5,58,800
10.	Mr. Hariram Agarwal	4,06,200

b. Two years prior to the filing of the Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares
1	M/s. Asis Industries Pvt. Ltd.	82,90,000
2	Mr. Rakesh Kumar Agarwal	13,25,440
3	M/s. Labh Capital & Services Pvt. Ltd	13,23,600
4	Mr. Mukesh Bansal	12,93,690
5	Gemini Industries and Imaging Limited	9,80,000
6	M/s. Rachana Finance & Investment P. Ltd.	9,65,000
7	Mrs. Anu Agarwal	7,34,630
8	M/s. Sajal Finance & Investment P. Ltd.	7,25,000
9	Mr. Sarvesh Hariram Agarwal	7,11,770
10	Mrs. Anita Bansal	5,58,800

11. None of our Directors or key managerial personnel hold Equity Shares in the Company, except as stated in the section titled "Our Management" beginning on page 107 of the Draft Red Herring Prospectus.

12. Our Company, the Directors, the Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in the Draft Red Herring Prospectus.

13. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

15. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

16. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

17. An over-subscription to the extent of 10% of the net offer to public, subject to permissible limit, can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.

18. The Equity Shares allotted pursuant to the Issue shall be made fully paid up at the time of Allotment.

19. Consequently, the actual Allotment may go up by a maximum of 7.14% approximately of the Issue, as a result of which the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the number of Equity Shares held by our Promoters and subject to lock- in shall be suitably increased so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

20. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

21. As of the date of filing of the Draft Red Herring Prospectus the total number of holders of the Equity Shares is 15.

22. Our Company has not raised any bridge loans against the proceeds of the Issue.

23. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated herein.

24. As per the RBI regulations, OCB's are not allowed to participate in the Issue.

25. Our Promoters and our Promoter Group will not participate in the Issue.

26. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

27. None of the Equity Shares held by our Promoters on the date of the Draft Red Herring Prospectus are subject to any pledge or other form of encumbrance.

28. Neither the BRLMs nor their respective associates hold any Equity Shares in our Company as on the date of the Draft Red Herring Prospectus.

29. Our Company does not presently have any stock option scheme or stock purchase scheme for its employees.

30. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Provided that our Company may allocate up to 30% of the QIB portion to the Anchor Investors on discretionary basis.

For further details, see "Issue Structure" beginning on page 196 of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are:

(a) To fund the setting up of manufacturing facilities at Gummidipoondi near Chennai, which will inter-alia include manufacturing facilities for production of MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line, a printing line, pre-lamination lines, and development of land and infrastructure for the aforesaid purposes, ("**Chennai Expansion**");

(b) To fund the capital expenditure for civil work and purchase of additional equipment at our Pantnagar unit in Uttarakhand which will primarily pertain to production of particle boards, ("**Uttarakhand Expansion**");

(c) Expenses towards general corporate and other purposes; and

(d) Expenses incurred in connection with the proposed Issue.

The Chennai Expansion and the Uttarakhand Expansion are collectively referred to as the "**Projects**".

The main objects clause of our Company's Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by our Company pursuant to the Issue.

Requirement of Funds, Means of Finance and Use of Net Proceeds of the Issue

Estimated Requirement of Funds

We intend to utilize the proceeds of the Issue of Rs. [●] after deducting the expenses incurred in connection with the Issue, ("**Net Proceeds**"), for financing the objects as set forth below:

(Rs. in millions)

Sl. No.	Expenditure Items	Estimated Issue Proceeds
1.	To fund the setting up of manufacturing facilities at Gummidipoondi near Chennai, which will inter-alia include manufacturing facilities for production of MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line, a printing line, pre-lamination lines, and development of land and infrastructure for the aforesaid purposes	1,024.20
2.	To fund the capital expenditure for civil work and purchase of additional equipment at our Pantnagar unit in Uttarakhand which will primarily pertain to production of particle boards	113.76
3.	General Corporate Purposes	[●]
	Total	[●]

We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure mentioned below at the discretion of our management. In addition, the estimated dates of completion of the Projects as described herein are based on management's current expectations and are subject to change due to various factors including those described above, some of which may not be in our control. Accordingly, the net proceeds of the Issue would be used to meet all or any of the uses of the funds described herein. The fund requirements described herein are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Proposed Means of Finance for the Project

The requirements of the funds detailed above are intended to be funded as under:

Particulars	Amount (Rs. in millions)
Net Proceeds of the Issue	[●]*
Term Loans	120.0
Internal Accruals	[●]

**To be finalized upon determination of Issue Price.*

Term Loans

Pursuant to the requirements of Regulation 4(2)(g) and Clause (VII)(C)(1) of the SEBI Regulations 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 the proposed Issue have been made.

We have firm arrangements of Rs. 120 million from the State Bank of India in relation to the Projects.

Pursuant to a sanction letter dated February 18, 2010 State Bank of India has issued a term loan for Rs. 200 million to our Company. Out of the aforesaid amount our Company has utilized Rs. 80 million for reimbursement of capital expenditure incurred by us between November 2008 and December 2009 for the manufacturing operations at Pantnagar, Uttarakhand The remaining Rs. 120 million shall be utilized for the purposes of the proposed objects of the Issue. Under the terms of the aforesaid sanction letter the aforesaid term loan shall be repayable in 60 monthly installments after a moratorium period of 14 months commencing from April 2011. The interest on the aforesaid term loan shall be at State Bank Advance Rate (11.75% per annum). As security for the aforesaid term loan our Company has created a first charge on a pari passu basis on the existing land, building, plant, machinery, furnitures and fixtures owned by our Company at (i) Plot No. 1, Sector 9, IIE, Sidcul, Pantnagar, District Udhamsingh Nagar, Uttarakhand, (ii) SF No. 170/2, Annur, Coimbatore, Tamilnadu, (iii) proposed project at Gummudipoondi, Chennai.

For further details of the same, please refer to the section titled "*Financial Statements*" on page 136 of the Draft Red Herring Prospectus.

Chennai Expansion

We propose to set up our new manufacturing facilities at Gummidipoondi near Chennai, with a view of widening our geographical presence in India, to enhance our capacity and range of products, to expand our scale of operations and to take advantage of the location of the proposed manufacturing facility. In relation to the proposed Chennai Expansion, we, *inter-alia*, propose to set up manufacturing facilities for production of MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line, a printing line, pre-lamination lines, and development of land and infrastructure for the aforesaid purposes.

Details of Fund Requirements for the Chennai Expansion:

The break up of the Project costs for setting up of the Chennai Expansion and other incidental expenses is as follows:

Particulars	Total Costs (Rs. in Million)
Land	29.84

Particulars	Total Costs (Rs. in Million)
Land Development & Fencing/Nursery	35.00
Premises & Building – Factory	84.62
Statutory and/or regulatory approvals	20.00
Plant & Machinery (including Equipments, Additional P&M and Utilities)	714.52
Erection & Commissioning	71.45
Computers & Software	5.00
Office Equipment	5.00
Motor Vehicle	5.00
Furniture & Fixtures	5.00
Pre-operative*	24.39*
Contingency*	24.39*
Total	**1,024.20**

** Pre-operative and contingency expenses have been assumed at the rate of 2.5% of the sum of all other estimated costs*

(a) Land

The Chennai Expansion will be implemented at Sunnanbulakam, Elavur Village, Gummidipoondi Taluka, Thirullaru District, Tamil Nadu. The location is close to south based consumption centres of the country. The location is at 60-70 KM from Chennai Airport. In addition, location is closer to Chennai port. Adequate skilled and unskilled man power is available. Site is well connected by road and strategically placed in South region. Chennai site is just 3 kms. Off Highway connecting Chennai and Nellore

Our Company has purchased approximately 12.18 acres of land at Gummidipoondi Taluka, Thirullaru District, Tamil Nadu for a total capitalized cost of Rs. 29.69 million as on December 31, 2009.

(b) Land Development & Fencing/Nursery and Premises & Building – Factory

We propose to build cement, concrete and brick based boundary wall around the proposed factory premises and erect fencing with steel wires over the boundary walls on all 4 sides of the plot. The development cost of Rs 35 million also includes the internal approach roads, boundary, land filling, leveling etc. The present status of the site development work already completed as on February 18, 2010 at project site is as below:

Sr. No.	Particulars	Present status
1.	Land Grading and cleaning	Partially completed
2.	Land Filling	Partially completed
3.	Boundary Wall	Completed
4.	Roads	Not yet started.
5.	Lights	Not yet started.
6.	Drainage	Not yet started.

The cost for premises and building for the factory to be established in connection with the Chennai Expansion has been estimated at Rs 84.62 million.

The estimated requirement of funds for the aforementioned can be classified as follows:

Sr. No.	Particulars	Purchase Order No. and date	Supplier/Manufacturer	Amount (Rs. in Million)
1.	Civil Work	4800000033 dated January 30, 2010	Visakas Structurals	64.59
2.	Pre-Engineered Building	4800000028 dated January 27, 2010	Interarch Building Products Private Limited	39.97
3.	Steel	4800000036 dated January 20, 2010	Khandelwal Associates	10.39
4.	Structural drawings	4800000034 dated February 3, 2010	Sijcon Consultant Private Limited	1.21
			Total	**116.16**
Freight/Tax*				34.49
Grand Total inclusive of Freight and Tax				**119.62**

**Freight and other taxes have been assumed to be 3% of the amount specified in the Purchase Order.*

(c) Statutory and/or regulatory approvals

We have estimated that a deposit of Rs. 20 million will be required in connection with the power and obtaining statutory and/or regulatory approvals.

(d) Plant & Machinery (including Equipments, Additional P&M and Utilities)

Sr. No.	Particulars	Purchase Order Number	Date of Purchase Order	Supplier/ Manufacturer	Amount (Rs. in Million)
1.	Laminates sheet cutting machine	4800000029	January 28, 2010	Hiren Engineering Enterprise	1.15
2.	Kraft paper impreganation line	4800000030	January 28, 2010	H. R. Industries	15.71
3.	Five zone DEGNPPR impline	4800000031	January 28, 2010	H. R. Industries	15.61
4.	HPL press	4800000032	January 28, 2010	Jekson Hydraulic Limited	53.04
5.	Scissors lift	4600001301	January 20, 2010	Hydro Mech Engineers	1.03
6.	Driven roller conveyor	4600001298	January 20, 2010	Hydro Mech Engineers	1.91
7.	Hardened Stainless Steel Press Plates	4600001362	February 23, 2010	SESA (S.P.A.)	75.38
8.	Five Zone Double Dipimprregnati on Line	4800000026	January 27, 2010	H. R. Industries	8.47
9.	Printing Machine	4800000026	February 20, 2010	C. Trivedi & Co.	10.25
10.	Steam Boiler 10	4800000027	January 27, 2010	Veesons Energy	6.71

Sr. No.	Particulars	Purchase Order Number	Date of Purchase Order	Supplier/ Manufacturer	Amount (Rs. in Million)
	TPH			Systemk Private Limited	
11.	Erection Comm of Thermic Fluid	4800000038	February 8, 2010	New Era International Engineers	10.82
12.	Fork Lift 5 T Godrej	4800000037	February 8, 2010	Godrej & Boyce Mfg. Co. Limited	8.57
13.	Thermic Fluid Heater	4800000035	February 8, 2010	Thermopac Boilers Private Limited	3.91
14.	11KV DP Structure	4800000039	February 9, 2010	Emit (Electric) Private Limited	25.44
15.	Weigh Bridge, 60 Ton capacity	4800000040	February 9, 2010	Leotronic Scale Private Limited	1.42
16.	Kunding HPL-HD 1850 Wide Belt Sanding	4800000044	February 25, 2010	Kundig AG	10.01
17.	Hardened Stainless Steel Press Plates	4800000043	February 24, 2010	Hueck	5.01
18.	Prelamination Line-12*6	4400000282	January 27, 2010	Linan Hallmark Trade Company Limited	3.33
19.	Thin MDF Plant*	Quotation	April 15, 2010	K-Service	93.80
20.	Prelamination Line 8*4*	Quotation	March 18, 2010	Suzhou Kangwei	15.87
21.	Energy System*	Quotation	March 23, 2010	Shanghai Wood Panel	41.08
22.	MDF Plant	4800000044	April 10, 2010	Shanghai Wood Panel	165.60
				Total	**574.12**
Freight and Customs duty on imported goods**					135.48
Freight/Taxes***					4.92
Grand Total inclusive of Customs duty, Freight and other Taxes and Levies					**714.52**

* *We have not placed orders or entered into any written arrangements in connection with these items and the fund requirements in connection with these are based on the quotations received from various vendors and suppliers. For risks in relation to the aforementioned, please refer to the section titled "Risk Factors" beginning on page xiv of the Draft Red Herring Prospectus.*

** *The freight, customs duty and other taxes and levies on imported goods are based on the internal management estimates of our Company in light of the prevailing rates of such freight, taxes, duties and levies.*

*** *Freight and other taxes have been assumed to be 3% of the amount specified in the Purchase Order.*

Power Requirement

The Chennai Expansion would require an estimated power of 8 MW and steam of 40 TPH. Our Company proposes to arrange power through the local power transmission companies.

Steam would be arranged through by using boilers using agro-waste fuel.

(e) Erection & Commissioning

The erection and commission cost is estimated at Rs. 71.45 million, which covers the expenses on foundation of machinery and cost of the installation team of the overseas supplier, who will be stationed at plant location till successful commercial production. It also includes the cost to be paid to local contractors for doing the necessary civil, electrical and mechanical work at site. The aforementioned cost has been estimated at 10% of the cost of Plant and Machinery and utilities.

(f) Computers & Software, Office Equipment, Motor Vehicle and Furniture & Fixtures

Our expenses in connection with Computers & Software including SAP systems, Office Equipment, Motor Vehicle and Furniture & Fixtures and vehicles for wood is estimated at an aggregate of Rs. 20.00 million.
`

(g) Pre-operative including and Contingency

Pre-operative and contingency expenses of Rs. 48.77 million are mainly on account of interest during construction, cost on labour, employees, foreign travel, statutory expenses, etc. Pre-operative and contingency expenses have been assumed at the rate of 2.5% of the sum of all other estimated costs

Schedule of Implementation for the Chennai Project:

Particular	Start	Completion
Acquisition of Land	-	Completed
Land Development & Fencing/Nursery	October 2008	December 2010
Construction of Premises & Building – Factory	July 2010	March 2011
Plant & Machinery (including Equipments, Additional P&M and Utilities)	January 2010	December 2010
Erection & Commissioning	July 2010	June 2011
Commencement of production	April 2011	-

Uttarakhand Expansion

We propose to expand our existing manufacturing facilities at Pantnagar, Uttarakhand with a view of enhancing our capacity and range of products and to expand our scale of operations. In relation to the proposed Uttarakhand Expansion, we, *inter-alia*, propose to fund the capital expenditure for civil work and purchase of additional equipment at our Pantnagar unit in Uttarakhand which will primarily pertain to production of particle boards.

Details of Fund Requirements for the Uttarakhand Expansion:

The break up of the Project costs for setting up of the Uttarakhand Expansion and other incidental expenses is as follows:

Particulars	Total Costs (Rs. in million)
Civil Construction	21.19

Particulars	Total Costs (Rs. in million)
Plant & Machinery (including Equipments, Additional P&M and Utilities)	79.23
Erection and Commissioning	7.92
Pre-operative*	2.71
Contingency*	2.71
Total	**113.76**

* *Pre-operative and contingency expenses have been assumed at the rate of 2.5% of the sum of all other estimated costs*

(a) Premises & Building – Factory

The cost for civil construction and foundation work for the equipment in connection with the Uttarakhand Expansion has been estimated at Rs 21.19 million. The estimated requirement of funds for the same can be classified as follows:

Sr. No.	Particulars	Purchase Order No. and date	Supplier/Manufacturer	Amount (Rs. in million)
1.	Earth work and civil construction	4600001300 dated January 20, 2010	Mohamed Rafik	2.99
2.	Stone and sand	4600001304 dated January 20, 2010	Shri Om Sales	1.04
3.	Brick Class -1	4622221302 dated January 20, 2010	Jeeshan Ahmed Brick Supplier	2.25
4.	M S TOR Steel and Cement	4600001303 dated January 20, 2010	Khandelwal Associates	14.30
			Total	**20.58**
Freight/Tax*				0.61
Grand Total inclusive of Freight and Tax				**21.19**

**Freight and other taxes have been assumed to be 3% of the amount specified in the Purchase Order.*

(b) Plant & Machinery (including Equipments, Additional P&M and Utilities)

Sr. No.	Particulars	Purchase Order Number	Date of Purchase Order	Supplier/Manufacturer	Amount (Rs. in million)
1.	Rotary Drum Dryer with Rolling	4600001299	January 20, 2010	New Era International Engineers	15.83
2.	Dust Collection System	4600001316	January 25, 2010	DD Industrial Fabrics	2.60
3.	Particle Board Machine	4600001361	February 23, 2010	Linan Hallmark Trade Co. Limited	32.61
4.	Thermic Fluid Heater, Cyclon	4600001315	January 25, 2010	Thermopac Boilers Private Limited	3.91
5.	Al. Armd Cable	4600001297	January 20, 2010	Om Tulsi Electricals	7.47

Sr. No.	Particulars	Purchase Order Number	Date of Purchase Order	Supplier/Manufacturer	Amount (Rs. in million)
6.	Electrical Installations	4600001296	January 20, 2010	Grace Engg & Conslt Regd	5.01
				Total	**67.43**
Freight and Customs duty on imported goods**					10.76
Freight/Taxes***					1.04
Grand Total inclusive of Customs duty, Freight and other Taxes and Levies					**79.23**

** *The freight, customs duty and other taxes and levies on imported goods are based on the internal management estimates of our Company in light of the prevailing rates of such freight, taxes, duties and levies.*

*** *Freight and other taxes have been assumed to be 3% of the amount specified in the Purchase Order.*

Schedule of Implementation for the Uttarakhand Project:

Particular	Start	Completion
Civil Construction	June 2010	December 2010
Plant & Machinery (including Equipments, Additional P&M and Utilities)	June 2010	December 2010

The Promoters or the Directors or the Promoter Group entities do not have any interest in the proposed procurement of any equipment/ machinery as stated above or any of the entities from whom we have obtained quotations/ machinery.

Funds Deployed

As per the certificate dated April 19, 2010 of KALA DEEPAK & COMPANY, CHARTERED ACCOUNTANTS, the Company has deployed Rs.79.76 million, till April 19, 2010. The same has been financed from internal accruals and secured term loans. The details of the funds deployed are as follows.

Deployment of Funds	Rs. in million
Land & Site Development	39.42
Plant, equipment and machinery	36.54
Pre-operative expenses	03.80
TOTAL	**79.76**
Sources of Funds	
Internal Accruals	39.77
Secured Term Loans	39.99
TOTAL	**79.76**

Year-wise break-up of Fund Requirements

Sr. No.	Particulars	Total	Funds Deployed upto April 19,2010	Estimated Schedule of Deployment	
				FY 2011	**FY 2012**
1.	Chennai Expansion	**1,024.20**	**45.12**	**859.08**	**120.00**
2.	Uttarakhand	**113.76**	**30.84**	**82.92**	**-**

Sr. No.	Particulars	Total	Funds Deployed upto April 19,2010	Estimated Schedule of Deployment	
				FY 2011	FY 2012
	Expansion				
3.	General Corporate Purpose	[●]	-	[●]	[●]
	Total	**[●]**	**75.96**	**[●]**	**[●]**

GENERAL CORPORATE PURPOSES

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes including strategic initiatives and acquisitions, strengthening our marketing capabilities and brand building exercises, working capital and for such other purposes as may be permitted under applicable statutory and/or regulatory requirements.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

The Issue related expenses include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. million)	As a % of Total Issue Expenses	As a % of Issue Size
Lead management, underwriting and selling commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
IPO Grading	[●]	[●]	[●]
Registrars' Fees	[●]	[●]	[●]
Fees to Legal Advisors	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Other (Stock exchange fees, SEBI fees, Auditor's fees, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Working Capital Requirements

We expect sufficient internal accruals and availability of working capital facilities to meet our working capital requirements. However, in the event if there is surplus of funds after deployment from the Net Proceeds of the Issue, the funds may be utilized towards reducing our reliance on our working capital facilities.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including investments in mutual funds, deposits with banks and other investment grade interest bearing securities. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Net Proceeds it shall not use the funds for any investments in the equity markets.

Monitoring Utilization of Funds

As this is an Issue for less than Rs. 5,000 million, there is no need for an appointment of a monitoring agency.

Our Board will monitor the utilization of the Net Proceeds, through its Audit Committee. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements until FY 2012, specifying the purpose for which the Net Proceeds have been utilization as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular clause 49 and clause 43A of the Listing Agreement. As per the requirements of clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results.

Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made until such time that the money raised through the Issue has been fully spent. The statement shall be certified by Auditors. Further, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Red Herring Prospectus.

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

Purchase of Property

There is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the Issue contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Our Company has not purchased any property in connection with the Objects of the Issue as stated above, in which any of our Promoters and/or Directors, have any direct or indirect interest in any payment made thereunder.

BASIC TERMS OF THE ISSUE

For basic terms of this Issue please refer to the section titled *"Terms of the Issue"* beginning on page [●] of the Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Price Band for the Issue Price will be decided by our Company in consultation with the BRLMs and specified in the Red Herring Prospectus that will be filed with the Registrar of Companies. The Price Band will also be advertised in a widely circulated [●] in edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in [●] edition of [●] newspaper in Marathi language with wide circulation.. The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 each, and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

The key competitive strengths of our Company are as follows:

- We have cost efficient sourcing and locational advantage
- We have sound manufacturing capabilities, coupled with modern infrastructure and integrated facilities
- We have diversified range of products and ability to manufacture and/or source allied products in addition to MDF and particle boards
- We have sales and marketing capabilities and strong dealer network
- We have the experience, know-how and innovativeness of our management

Quantitative Factors

The information presented in this section for the nine month period ended December 31, 2009 and the years ended March 31, 2009, March 31, 2008 and March 31, 2007 is derived from our restated financial statements. Investors should evaluate our Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. ***Basic and Diluted Earnings per Share (EPS)***

Year Ended	Basic EPS (Rs.)	Weight	Diluted EPS (Rs.)	Weight
March 31, 2007	2.92	1	2.92	1
March 31, 2008	8.70	2	8.49	2
March 31, 2009	9.25	3	9.25	3
Weighted Average	**8.01**		**7.94**	
Nine month period ended December 31, 2009	9.11		9.11	

Notes:

(i.) Earnings per share calculations are in accordance with Notified Accounting Standard 20 "Earnings per Share"

(ii.) Basic Earnings/(Loss) per share is equal to Net Profit/(Loss) after tax before extraordinary items, as restated attributable to equity shareholders divided by weighted average number of equity shares outstanding during the year/period

(iii.) Diluted Earnings/(Loss) per share is equal to Net Profit/(Loss) after tax before extraordinary items, as restated attributable to equity shareholders divided by weighted average number of dilutive equity shares outstanding during the year/period (iv.) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period, adjusted by the number of equity shares issued during the year/period multiplied by the time-weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.

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

a. P/E based on the basic EPS and diluted EPS as per our restated financial information for the year ended March 31, 2009: [●]
b. P/E based on the Weighted Average EPS (Basic): [●]
c. P/E based on the Weighted Average EPS (Diluted): [●]

3. *Return on Networth (RoNW)*

Year Ended	RoNW %	Weight
March 31, 2007	10.45	1
March 31, 2008	25.91	2
March 31, 2009	19.84	3
Weighted Average	20.30	
Nine month period ended December 31, 2009	16.35	

Notes:
(i.) Return on Net Worth (%) is equal to Net Profit/ (Loss) after tax, as restated divided by Net Worth, as restated at the end of the year/period

4. *Minimum Return on Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the year ended March 31, 2009 is [●]*

5. *Net Asset Value*

Particulars	Amount (Rs.)
Net Asset Value per Equity Share as of December 31, 2009	55.71
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

Notes:
(i.) Net Asset Value (NAV) per share is equal to Net Worth, as restated at the end of the year/period divided by number of equity shares outstanding at the end of year/period

6. *Comparison with peer group companies*

There are strictly no peer group companies which have such diverse product portfolio and business model as of our Company. Each of the peer group companies mentioned in the table below may have presence in some of the product portfolios as of our Company. Hence the peer group companies mentioned below are not comparable with us.

Sr. No.	Name of the Company	Face Value per share (Rs.)	Price per share* (Rs.)	EPS (Rs.)	P/E Ratio	RoNW (%)	Net Asset Value per share (Rs.)	Sales (Rs. in million)
1.	Shirdi Industries Limited**	10	[●]	9.11	[●]	16.35	55.71	1,759.40

Sr. No.	Name of the Company	Face Value per share (Rs.)	Price per share* (Rs.)	EPS (Rs.)	P/E Ratio	RoNW (%)	Net Asset Value per share (Rs.)	Sales (Rs. in million)
2.	Mangalam Timber Products Limited	10	32.30	0.7	-	6.8	12.0	710
3.	Nuchem Limited	10	10.82	-	-	-	6.4	2,043
4.	Novopan Industries Limited	10	40.00	-	-	(49.3)	17.0	755
5.	Greenply Industries Limited	5	193.35	16.7	9.0	22.8	102.2	7,850
6.	Century PlyBoards (I) Limited	1	59.45	1.9	17.2	26.7	7.5	6,987
7.	Archid Ply Industries Limited	10	36.05	6.2	6.8	20.5	43.9	1,580

* BSE prices as on April 14, 2010

** Figures are derived for the nine months period ended December 31, 2009 as per the restated financial statements

(Source: Capital Market, Vol.XXV/01, March 08-21,2010)

7. The Issue price will be [●] times of the face value of the Equity Shares.

The Issue Price of Rs. [●] has been determined by the Company in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. The BRLMs believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Red Herring Prospectus, including, in particular the sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages xiii, 76 and 186 respectively, of this Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Auditor's Report

To
The Board of Directors,
Shirdi Industries Limited,

Dear Sirs,

We hereby report that the attached Annexure states the possible tax benefits available to Shirdi Industries Limited ('the Company') and to the shareholders of the Company under the Income Tax Act, 1961, Wealth Tax Act, 1957 and The Central Excise Act, 1944 including the Rules, Notifications and Clarifications issued thereunder which are presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant 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 imperative, the Company may or may not choose to fulfil.

The benefits discussed in the Annexure are not exhaustive. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for the 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 participations in the issue. 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 of these benefits have been/ would be met with.

The contents of this Annexure are 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 interpretations of the current relevant laws.

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Rajiv Goyal
Partner
Membership No. 94549

Place: Mumbai
Date: April 21, 2010

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

1) TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 AND WEALTH TAX ACT, 1957

A. SPECIAL TAX BENEFITS

Special Tax Benefits Available to the Company

The deduction under section 80IC of Income Tax Act, 1961, is available to the company in relation to any profits and gains derived by an undertaking or enterprise engaged in the manufacture or production of any article or thing, except the negative list, situated in the state of Uttarakhand, subject to fulfilment of certain conditions. The amount of deduction shall be hundred percent of the profits and gains derived by such undertaking or enterprise for five assessment years beginning with the assessment year in which the undertaking begins to manufacture or produce any articles or things and thereafter thirty percent of the profits and gains for another five years derived from such industrial undertaking under section 80-IC of Income Tax Act, 1961. The total period of deduction should not exceed ten consecutive assessment years.

Special Tax Benefits Available to the Shareholders of the Company

There are no special tax benefits available to the shareholders of the Company.

B. GENERAL TAX BENEFITS

Under the Income Tax Act, 1961 ("the Act")

The following tax benefits shall, interalia, be available to the company and the prospective Shareholders under the Act.

General Tax Benefits Available to the Company

1. The corporate tax rate shall be 30% plus surcharge and education cess thereon. Minimum Alternate Tax ('MAT') rate is 15% (proposed to be increased to 18% from 15% by Finance Bill 2010) plus surcharge and education cess thereon of book profits. MAT is also applicable on the profits derived by an undertaking of the company, which is entitled to tax holiday benefits under section 80IC of the Act.

2. Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company will be entitled to a deduction for depreciation: -

   a) In respect of tangible assets.

   b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 at the rates prescribed under Income Tax Rules, 1962.

   c) In respect of any new machinery or plant (other than ships and aircraft which has been acquired and installed after 31st March, 2005, a further sum of 20% of the actual cost of such machinery or plant will be allowed as a deduction in the year of installation subject to satisfaction of certain conditions.

   d) Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any sources of income in the same year or any subsequent Assessment Years as per section 32(2) of the Act.

3. Under the provisions of section 35(1)(i) of the Act read with clause (iv) of this subsection, the Company shall be eligible for 100% deduction of any expenditure (except capital expenditure for acquisition of land) laid out or expended on scientific research related to the business of the company.

4. Under the provisions of section 35(1)(ii) of the Act, the Company shall be eligible for a weighted deduction of 125% (proposed to be increased to 175% from 125% by Finance Bill 2010) of any sum paid to certain scientific research association or to a university, college or other institution to be used for scientific research, subject to fulfillment of the prescribed conditions.

5. Under the provisions of section 35(1)(iia) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a company to be used by it for scientific purpose, subject to fulfilment of the prescribed conditions.

6. Under the provisions of section 35(1)(iii) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a university, college or other institution to be used by it for research in social science or statistical research, subject to fulfilment of the prescribed conditions.

7. Under the provisions of section 35(2AB) (i) of the Act, the Company shall be eligible for a weighted deduction of 150% (proposed to be increased to 200% from 150% by Finance Bill 2010) of any expenditure (excluding cost of land or building) incurred by the Company on in-house scientific research and development facility approved by the prescribed authority subject to fulfillment of the prescribed conditions.

8. Under the provisions of section 35AC of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme subject to fulfillment of the prescribed conditions.

9. Under the provisions of section 35CCA of the Act, the Company shall be entitled to deduction of 100% for payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribe authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf subject to fulfillment of the prescribed conditions.

10. Under the provisions of section 35CCB of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of conservation of natural resources or afforestation or to a fund for afforestation set up and notified by the Central Government subject to fulfillment of the prescribed conditions.

11. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in the section.

12. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by-
    - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
    - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

    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 year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

13. Under section 72(1) of the Act, if the net result of the computation is a loss, such loss can be set off against any other income and the balance loss, if any, can be carried forward for 8 consecutive years and set off against business income.

14. Under section 80G of the Act, the Company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of sums paid, subject to limits and conditions as provided in the section 80 G (5)

15. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains not covered under section 10 (38) of the Act] arising on transfer of a long term capital asset, being listed securities, or specified units, and zero coupon bond, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee.

16. Minimum Alternate Tax (MAT) is a minimum tax which a company needs to pay when income-tax payable on the total income as computed under this Act is less than 15% of its book profit. Credit is allowable for the difference between MAT paid and the tax computed as per the normal provisions of the Act. MAT credit can be utilized to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. MAT credit in respect of MAT paid prior to AY 2006-07 shall be available for set-off upto 5 years succeeding the year in which the MAT credit initially arose. However, MAT credit in respect of MAT paid for AY 2006-07 or thereafter shall be available for set-off upto 7 years succeeding the year in which the MAT credit initially arose. Further, from AY 2010-2011, MAT credit for MAT paid for AY 2010-11 or thereafter shall be available for set-off upto 10 years succeeding the year in which the MAT credit initially arose.

17. In accordance with Section 115 O of the Act, any amount declared, distributed or paid by the company by way of dividends (whether interim or otherwise) on or after 1 April 2003, whether out of current or accumulated profits shall be charged to income tax at the rate of 15% (plus applicable surcharge and education cess), in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year.

Further section 115-O of the Act provides that, in order to compute the Dividend Distribution Tax (DDT) payable by a domestic holding Company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year, if:

- The subsidiary company has paid DDT @ 15% (plus applicable surcharge and education cess) on such dividend: and
- The Domestic Company is itself not a subsidiary of any company. For this purpose, a company would be considered as a subsidiary if the domestic company holds more than half of its nominal equity capital.

General Benefits Available to person other than company

(a) Available to Resident Shareholders

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income-tax in the hands of the shareholders. However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

2. Computation of Capital Gains-Capital assets may be categorized into Short Term Capital Assets and Long Term Capital Assets based on the period of holding All capital assets (except shares held in a company or any other listed securities or units of UTI or specified Mutual Fund units) are considered to be long term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and specified Mutual Fund units are considered as long term capital assets is these are held for a period exceeding 12 months. Consequently capital gains arising on sale of shares held in a company or any other listed securities, or units of UTI or specified Mutual Fund units held for more than 12 months are considered as "long

term capital gains". Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting a substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjust the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

3. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented Mutual fund (i.e capital asset held for the period of twelve months or more) entered into on a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

4. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax).

5. Short-terms capital loss on sale of shares can be set off against any capital gain income, long term or short term, in the same assessment year. It should be noted that such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income.

6. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.

7. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by-

- National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section. 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 year from the date of their acquisition. However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

8. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced

(b) Mutual Funds

Under section 10 (23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income-tax on all their income, including income from investment in the equity shares of a company.

(c) Venture Capital Companies / Funds

Under section 10 (23FB) of the Act, all venture capital companies / funds 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 sale of shares of the company.

Company under the Wealth Tax Act, 1957

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs. 30 Lakhs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs. 30 lakhs.
Shares of the company held by the shareholders will not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

(d) General Benefits Available to Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors

1. By virtue of Section 10(34) of the Act, income earned by way of divided income from a domestic company referred to in sect ion 115-O of the Act, is exempt from tax in the hands of the recipients.

2. Under Section 10(38) of Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital assets held for the period of twelve months or more) entered into a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain, in case of non resident member being a company, shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

3. Under the first proviso to section 48 of the Act, 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.

4. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head ‘Profits and Gains under Business or Profession’ arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.

5. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds redeemable after 3 years and issued by-
   - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1st day of April 2006.
   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1st day of April, 2006 and notified by the Central Government in the Official Gazette for the purpose of this section.

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 year from the date of their acquisition.
However as per 1st Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lakhs rupees.

6. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced

7. Under the provisions of section 111A of the Act, capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income-tax).

8. Under the provisions of Section 112 of the Act and other relevant provisions of the Act, long term capital gains not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at @ 20% (plus surcharge and education cess on income-tax)

9. Under the provisions of section 115 E of the Act, capital gains arising to the non resident Indianan transfer of shares held for a period exceeding 12 months shall in cases not covered under section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act, subject to satisfaction of certain conditions.

10. Under the provisions of section 115F of the Act, long term capital gains not covered under section 10 (38) of the Act] arising to a non-resident Indian from the 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 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 are transferred or converted into money within three years from the date of their acquisition.

11. Under the provisions of section 115G of the Act, 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 specified assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.

12. Under the provisions of section 115H of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of India Origin) has an option to be governed by the provision of Chapter XII A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident", even after the assessee becomes a resident, if he furnishes to the Assessing Officer a declaration alongwith the return of income under section 139 of the Act.

13. Under the provision of section 115I of the Act, 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 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.

14. As per the provisions of Section 90(2) of the Act, the provisions of the act would prevails over the provisions of DTAA between India and the country in which the shareholder has fiscal domicile to the extent they are more beneficial to the non-resident.

(e) General Benefits Available to Foreign Institutional Investors (FIIs)

By virtue of section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, are exempt form tax in the hands of the institutional investor.

Under Section 10(38) of the Act, long term capital gain arising to the shareholder form transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt. However, from Financial Year 2006-2007, the income by way of long- term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.

The provisions of section 36(i)(xv) of the Act allow deduction for STT paid, if the taxable securities transactions are taxable as 'Business Income'.

The income realized by FIIs on sale of shares in the company by way of short term capital gains referred to in Section 111A of the Act would be taxed at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income tax), on which the securities transaction tax has been paid.

Under Section 115AD of the Act, capital gain arising on transfer of short term capital assets, being an equity share in a company which is not subject to Securities Transaction Tax will be taxable under the Act at the rate of 30% (plus applicable surcharge, if any and education cess).

Further, as per Section 115AD of the Act, capital gain arising on transfer of long term capital assets, being shares in a company exempt under section 10(38)], are taxed at the rate of 10% (plus applicable surcharge, if any and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

As per the provisions of Section 90(2) of the Act, the provisions of the act would prevails over the provisions of DTAA between India and the country in which the non-resident has fiscal domicile to the extent they are more beneficial to the non-resident.

Applicability of Wealth Tax Act, 1957

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs. 30 Lakhs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs. 30 lakhs.
Shares of the company held by the shareholders will not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable.

Notes for consideration

a) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the DTAA, if any between India and the country in which the non-resident has fiscal domicile or any other qualifying criteria.
b) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to 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 tax laws.
c) Above tax benefits do not include the provisions of the proposed Direct Taxes Code Bill, 2009 ("DTC"), draft of which has been released for public scrutiny and comments. While releasing the Budget proposals for 2010, the Finance Minister has clarified that it expects to implement the DTC by 1 April 2011.

2) EXCISE DUTY BENEFITS UNDER THE CENTRAL EXCISE ACT, 1944

Notification 50/2003 – CE dated 10 June 2003 ('the Notification') issued by the Central Government in exercise of the powers given under subsection (1) of Section 5A of the Central Excise Act, 1944, read with subsection (3) of Section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978, provides for an area based exemption from the Excise duty.

As per the said Notification, the units manufacturing the goods in the Specified Areas or Scheme Area of Uttrakhand and Himachal Pradesh are exempt from payment of Excise duty on goods cleared from these Specified Areas or Scheme Areas subject to fulfilment of the specified conditions.

The exemption under the said Notification is available to the Company in respect of the goods specified in the First and Second Schedule of the Central Excise Tariff Act, 1985 and manufactured at the factory set up in Integrated Industrial Estate, Pant Nagar, Uttrakhand, except the negative list items as notified under Annexure I of the Notification. The exemption shall be available from the whole of the Excise duty or Additional duty of Excise, as the case may be, leviable thereon. The exemption from Excise duty is to be computed as per the methodology prescribed in the Notification.

The exemption is available for a period not exceeding ten years beginning from the date of commencement of the commercial production. We understand that the Company commenced commercial production from 7 February 2007.

Therefore, the Excise duty exemption would be available to the Company for a period of ten years from the date of commencement of commercial production, i.e. 7 February 2007 subject to the fulfilment of the specified conditions.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and other industry sources.

Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Indian Economy

The Indian economy is one of the largest economies in the world with a gross domestic product ("GDP") at current prices of Rs. 49.3 trillion (approximately US$1 trillion) with a real GDP growth rate of 6.7% for the fiscal year ending March 31, 2009. In recent years, India has become a popular destination for foreign direct investment ("**FDI**"), owing to its well-developed private corporate sector, large consumer market potential, large, well-educated and English speaking work force, and a well established legal system. India attracted FDI of approximately US$73.2 billion during Fiscal 2006 and Fiscal 2009.

In 2008, China and India sustained real GDP growth rates of 9.0% and 7.3%, respectively, among the highest by any economy in the world. The following table shows India's economic growth in comparison to other developing countries:

Growth /Real GDP*	**2001-2010 (Average)**	**2006**	**2007**	**2008**	**2009E**	**2010E**
World...	3.21	5.1	5.2	3.2	(1.3)	1.9
Advanced Economies	1.33	3.0	2.7	0.9	(3.8)	0.0
China	9.55	11.6	13.0	9.0	6.5	7.5
India	**6.90**	**9.8**	**9.3**	**7.3**	**4.5**	**5.6**
Russia	4.66	7.7	8.1	5.6	(6.0)	0.5
Mexico..	1.65	5.1	3.3	1.3	(3.7)	1.0
Brazil	3.23	4.0	5.7	5.1	1.3	2.2

* Annual percentage change in GDP at constant prices

Source: International Monetary Fund, World Economic Outlook Database, April 2009

Per capita GDP (at constant prices) in India has grown from approximately Rs. 12,900 for the fiscal year ended March 1991 at the time of liberalization to approximately Rs. 27,400 for the fiscal year ended March 2008. This increase in per capita income has created increasing wealth and has had a significant investment multiplier effect on the economy, leading to increasing consumerism and positively impacting savings.

Additionally, India has a large and rapidly growing young middle class with increasing levels of discretionary income available for consumption and investment purposes. The last five years have seen not only a great expansion of the Indian economy but also of consumer credit.

Plywood

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

Particle Board

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

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

Uses of wood based panel products

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

Cost of the wood based panel product

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

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

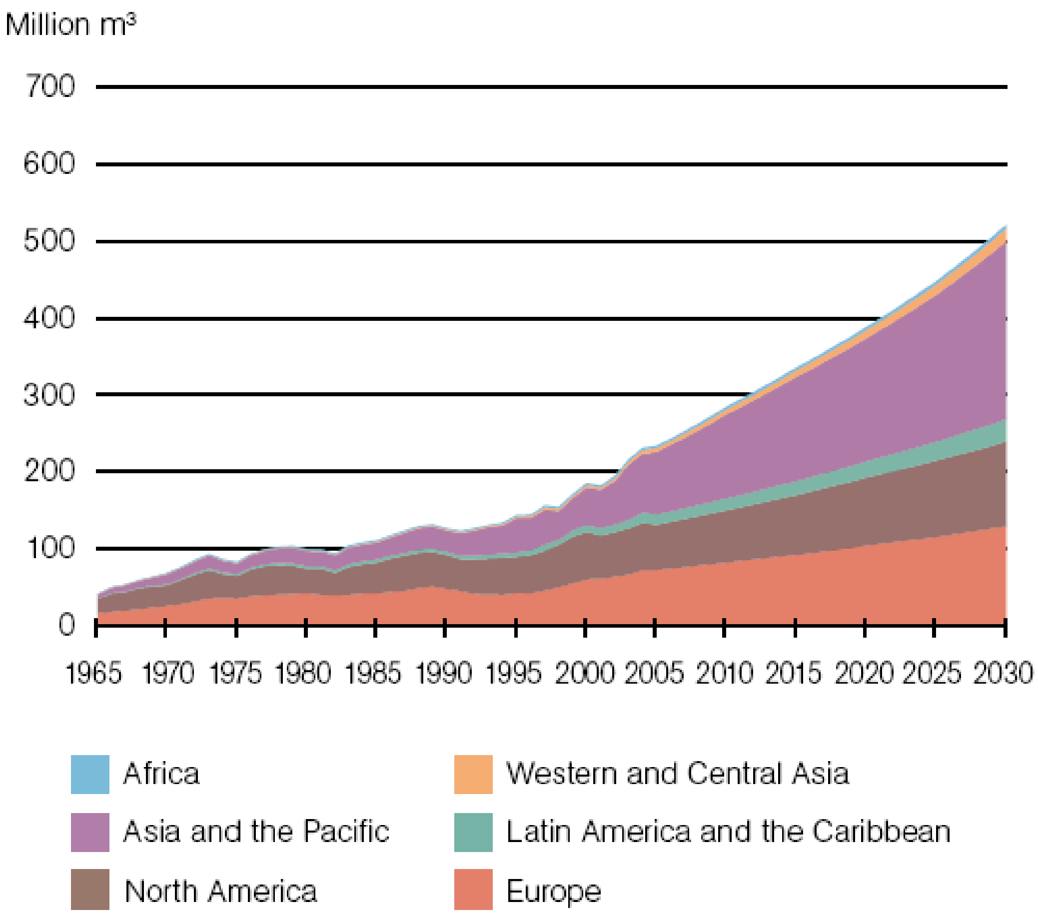
TABLE 22

Production and consumption of wood-based panels

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

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

FIGURE 52 Global wood-based panel production



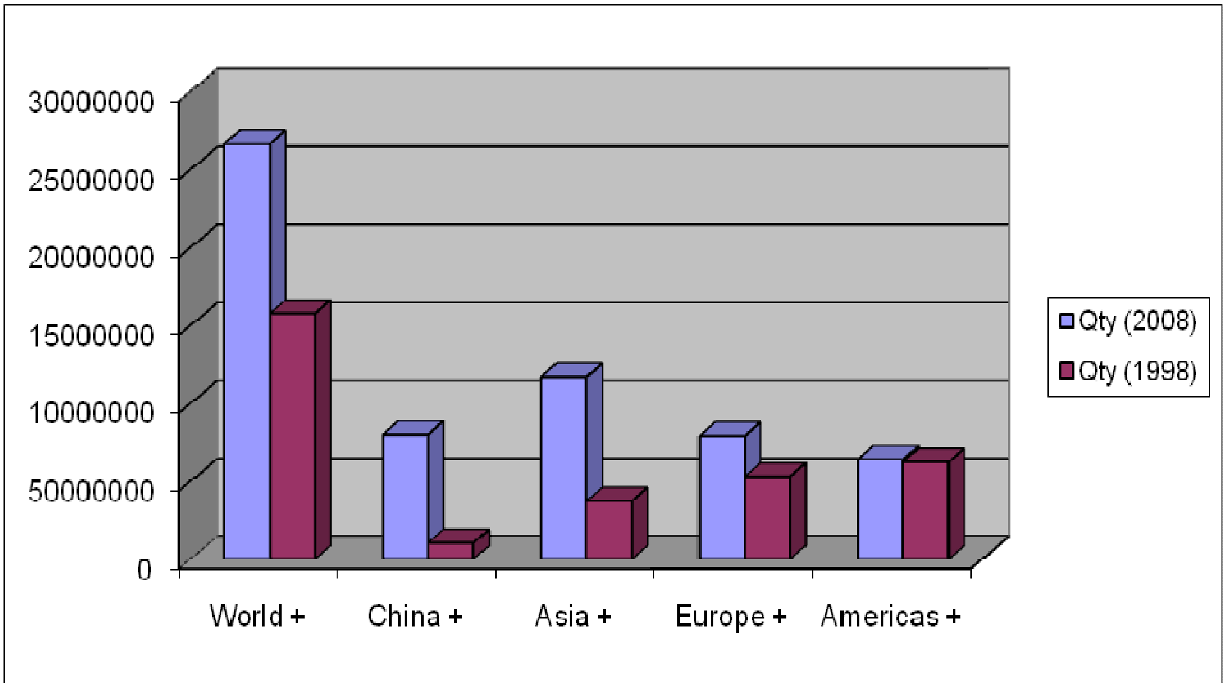
COUNTRY AND AREA WISE DATA OF WOOD BASED PANELS

Country/area	Item	Prod-2008	Prod-1998	UOM	
World +	**Hardboard**	86,53,460	73,83,416	CUM	A
World +	**Insulating Board**	79,49,029	55,41,900	CUM	A
World +	**MDF**	5,73,13,163	1,48,40,607	CUM	A
World +	**Particle Board**	10,35,34,985	7,31,41,463	CUM	A
World +	**Plywood**	7,73,56,105	5,00,57,350	CUM	A
World +	**Veneer Sheets**	1,18,44,233	66,29,140	CUM	A
	Total	26,66,50,975	15,75,93,876		
China	**Hardboard**	14,36,000	13,35,000	CUM	
China	**Insulating Board**	2,61,000	18,000	CUM	

Country/area	Item	Prod-2008	Prod-1998	UOM	
China	**MDF**	2,74,05,000	8,79,000	CUM	
China	**Particle Board**	1,15,05,000	27,46,000	CUM	
China	**Plywood**	3,62,20,000	52,86,000	CUM	
China	**Veneer Sheets**	31,20,000	1,79,000	CUM	*
	Total	7,99,47,000	1,04,43,000		
Asia +	**Hardboard**	21,13,535	17,16,100	CUM	A
Asia +	**Insulating Board**	23,89,900	7,09,000	CUM	A
Asia +	**MDF**	3,39,59,523	34,84,000	CUM	A
Asia +	**Particle Board**	2,08,12,900	72,88,300	CUM	A
Asia +	**Plywood**	5,19,32,712	2,19,93,700	CUM	A
Asia +	**Veneer Sheets**	57,56,900	21,55,400	CUM	A
	Total	11,69,65,470	3,73,46,500		
Europe +	**Hardboard**	42,33,225	32,82,408	CUM	A
Europe +	**Insulating Board**	20,32,229	9,16,900	CUM	A
Europe +	**MDF**	1,36,87,250	65,57,913	CUM	A
Europe +	**Particle Board**	5,02,99,965	3,52,61,300	CUM	A
Europe +	**Plywood**	69,31,821	51,90,190	CUM	A
Europe +	**Veneer Sheets**	19,40,233	17,25,540.00	CUM	A
	Total	7,91,24,723	5,29,34,251		
Americas +	**Hardboard**	21,18,300	21,55,708	CUM	A
Americas +	**Insulating Board**	34,77,000	37,37,000	CUM	A
Americas +	**MDF**	81,80,390	38,99,694	CUM	A
Americas +	**Particle Board**	3,04,93,120	2,90,95,763	CUM	A
Americas +	**Plywood**	1,71,40,240	2,17,90,000	CUM	A
Americas +	**Veneer Sheets**	25,05,500	17,77,600	CUM	A
	Total	6,39,14,550	6,24,55,765		

A = May include official, semi-official or estimated data

FAOSTAT | © FAO Statistics Division 2010 | 16 January 2010



Production and consumption of wood base panels in India- Based on data provided by FEDERATION OF INDIAN PLYWOOD & PANEL INDUSTRY-New Delhi

1. Production of Veneers in Sq.Mtr. for the years 2008-09, 2007-08 and 2006-07

2008-09	**2007-08**	**2006-07**
100167333	28290016	7877585

2. Item wise Production of Plywood in Million M2 – 4 MM basis for the years 2008-09, 2007-08 and 2006-07

Commercial	**Decorative**	**Block boards**	**Total Production**	**Production in**	
Plywood	**Plywood**	**Flush Doors**	**2008-09**	2007-08	2006-07
61.830	**5.800**	**8.165**	**75.795**	45.462	21.667

Since there is no proper machinery to record production of SSI units the production is only estimated to be about 350 to 450 million sq.mtr for the year 2008-09

3. Production of Particleboard in M. Tonnes for the year 2008-09, 2007-08 and 2006-07

2008-09	2007-08	2006-07
120716	460084	81214

4. Production of Hard/Soft Board in M. Tonnes for the years 2008-09, 2007-08 and 2006-07

2008-09	2007-08	2006-07
47184	50430	42982

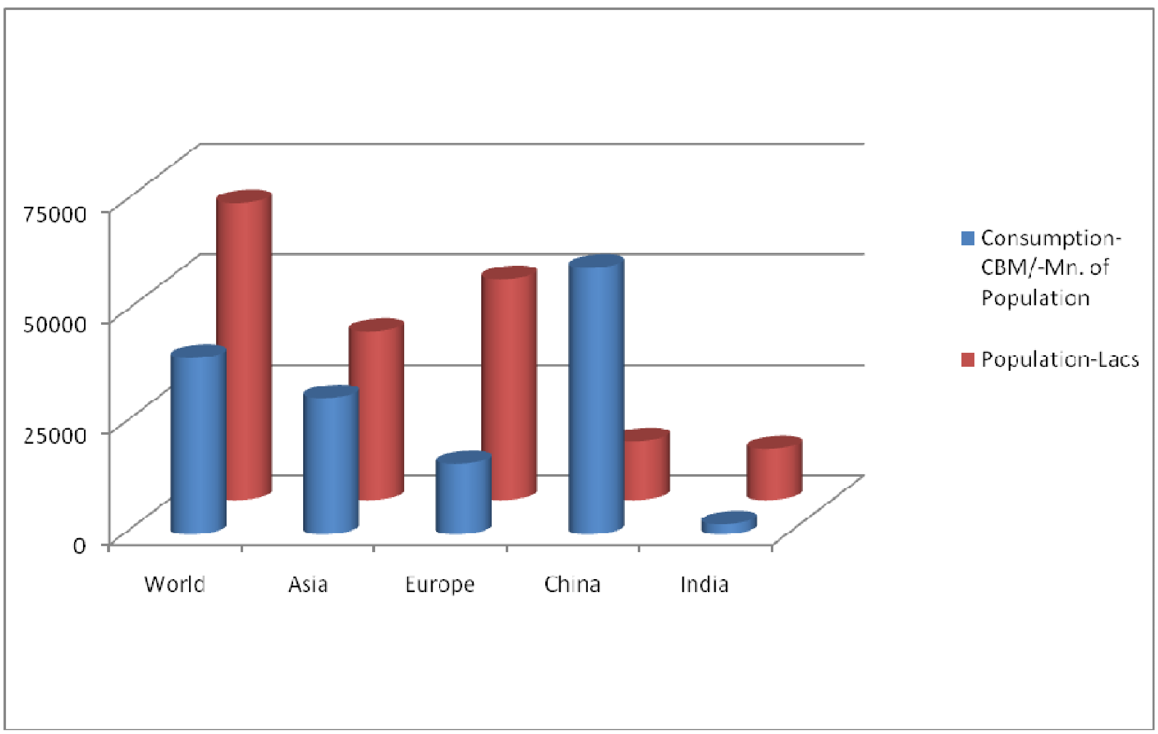
5. Production of Medium Density Fibreboard (MDF) in Tonnes for the years 2008-09, 2007-08 and 2006-07

2008-09	2007-08	2006-07
62582	57860	56315

Per Capital Consumption of wood based panel products

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

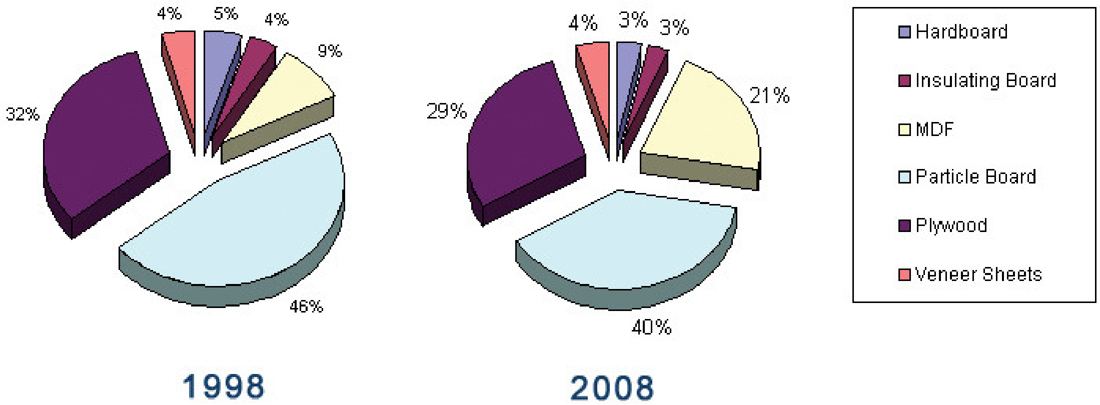
Country	**Population**	**Consumption**	**Consumption-CBM/-Mn. of Population**
World	6,70,69,93,152	26,66,50,975	39757
Asia	3,80,00,00,000	11,69,65,470	30780
Europe	4,99,00,00,000	7,91,24,723	15857
China	1,33,00,44,605	7,99,47,000	60109
India	1,14,79,95,904	25,92,200	2258



Worldwide growth pattern for last 10 years for wood based panels

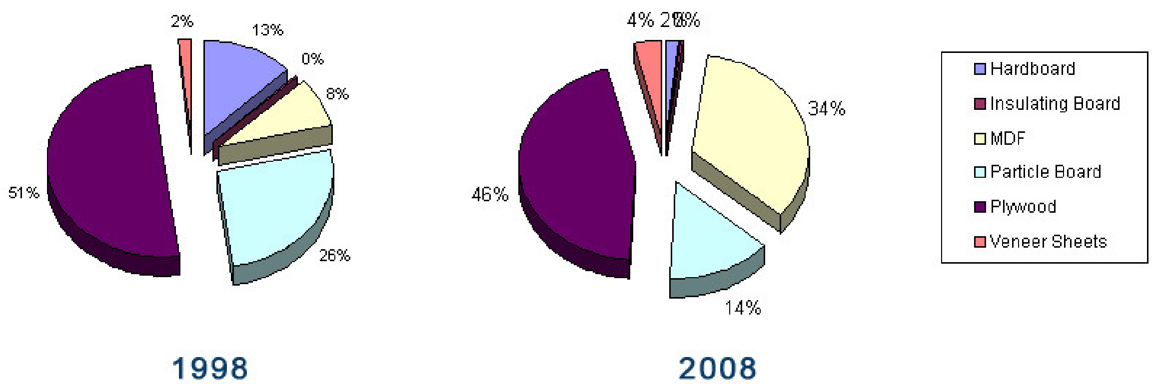
In last 10 years, the production of wood base panel has increased across all the areas worldwide and the share of MDF in total has also increased. In the case of particle board similar trends were observed during earlier periods, when the share of particle board increased and same for plywood was reduced

Share of various types of panels-Worldwide



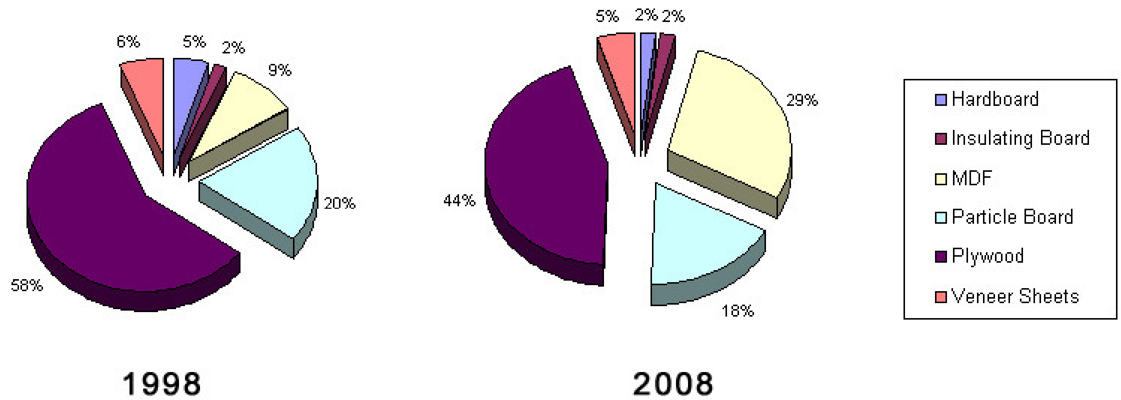
Share of MDF has increased from 9% to 21% beside increase in total production of panel products from 157 MN CBM to 266 MN CBM.

Share of various types of panels -China



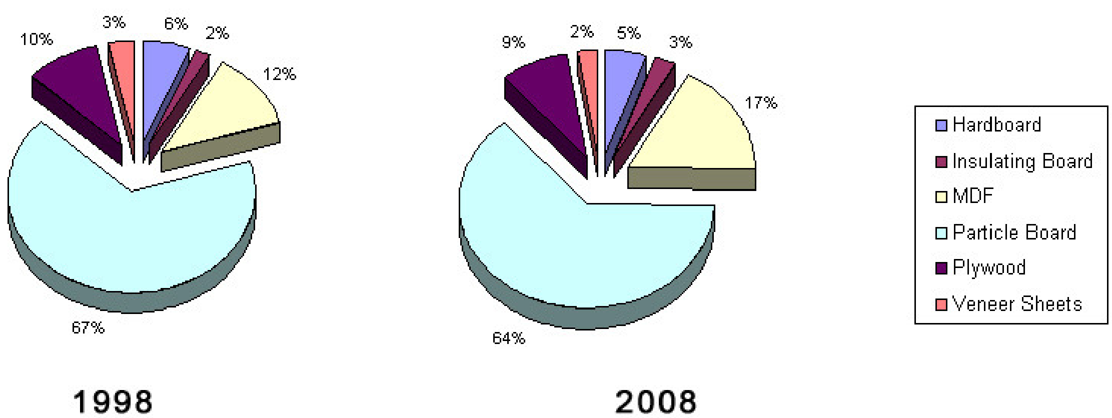
Share of MDF has increased from 8% to 31% beside increase in total production of panel products from 10.4 MN CBM to 79.9 MN CBM

Share of various types of panels -Asia



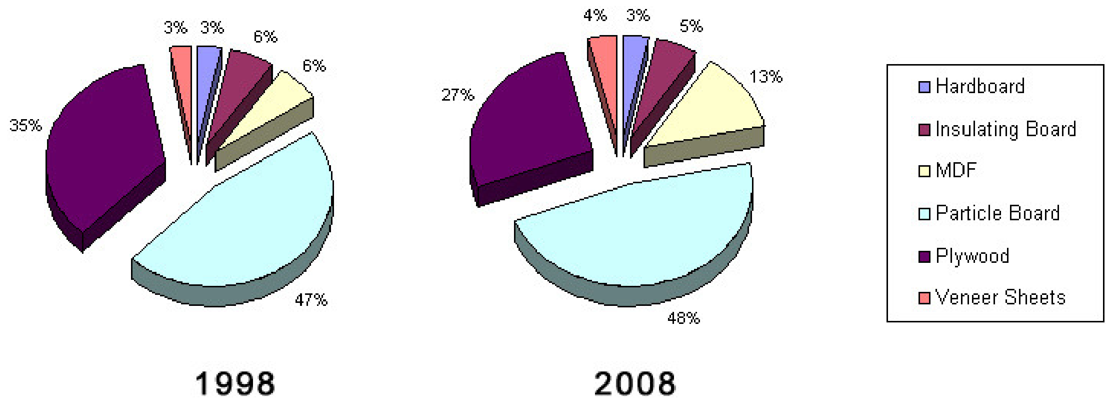
Share of MDF has increased from 9% to 29% beside increase in total production of panel products from 37.3 MN CBM to 117 MN CBM

Share of various types of panels- Europe



Share of MDF has increased from 12% to 17% beside increase in total production of panel products from 52.9 MN CBM to 79.1 MN CBM

Share of various types of panels -



America

Share of MDF has increased from 6% to 13% beside increase in total production of panel products from 62.5 MN CBM to 63.9 MN CBM

Government Initiatives

The industry is highly fragmented, with a large portion of it being unorganized. The biggest challenge for the organized players is increasing competition. To check the growth of the unorganized sector, the Government set up a regulatory authority called the CEC (central empowered committee) for wood based industries. To check the depletion of forest cover arising out of unrestricted use by the plywood industry, the CEC vide its recommendations dated May 9, 2002 restricted new plywood industries to come up, and linked the issuance of fresh licenses with assessment of wood availability in each state. This resulted in very few units getting new plywood manufacturing licenses in the past several years.

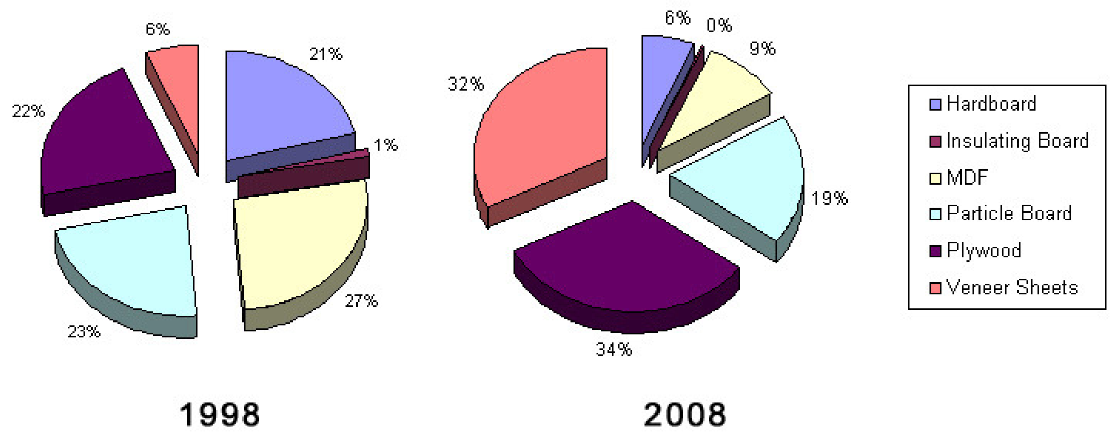
However, the CEC has liberalized setting up of MDF and particleboards units and has delinked the same with availability of timber as it uses very small diameter woods which are either waste wood or grown in short rotation by farmers over 2-3 years. The investment for setting up MDF and particleboard plant is very significant, which restricts competition from the unorganized sector.

The government is also encouraging this sector by reducing the excise duty. The excise duty was reduced from 16% to 8% in the Finance Bill 2007 and to 4% with effect from December 7, 2008. In addition, some of the state governments like Delhi, Uttar Pradesh, West Bengal and Madhya Pradesh have reduced the VAT from 12.5% to 4% in the recent past and other states are expected to follow shortly as the government wants to encourage affordable housing and environment friendly products.

Share of various types of panels - Current scenario in India

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

Production India (CUM)



Competitive edge over imported goods

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

Import data in India

The import data down loaded from the Web Site of DGFT for Financial years 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 for Chapters 44 is as under :

Chapter 44

(Rs. in lacs)

FY	Total import value	Chapter 44 - value	Chapter 44 %	PANELS- value	PANELS-% in total import	PANELS-% in total import of chapter 44
2003-4	35910765.77	332538.23	0.93%	18162.22	0.05%	5.46%
2004-5	50106455.82	407710.77	0.81%	24523.15	0.05%	6.01%
2005-6	66040889.34	423052.72	0.64%	38637.29	0.06%	9.13%
2006-7	84050633.03	484544.32	0.58%	51154.16	0.06%	10.56%
2007-8	101231170.1	568655.74	0.56%	72777.06	0.07%	12.80%

It can be observed from the import data that

- The share of items belonging to Chapter 44 in total import of the country from 2003-04 to 2007-08 has reduced from 0.93% to 0.56%

- The import of MDF Board and particle board as a percentage of total import in the country has increase from 0.05% to 0.072% during this period.
- The share of Panel items in total import of items falling under Chapter 44 has increased from 5.46% to 12.80% during the same period.

TABLE 11

Exports as percentage of production and imports as percentage of consumption, 2006

Subregion	Industrial roundwood		Sawnwood		Wood-based panels	
	Exports	Imports	Exports	Imports	Exports	Imports
	(%)					
CIS countries	34	1	68	3	27	22
Eastern Europe	14	8	49	27	45	44
Western Europe	9	19	46	46	51	48
Total Europe	**18**	**13**	**51**	**40**	**46**	**43**
World	**8**	**8**	**32**	**32**	**32**	**32**

SOURCE: FAO, 2008a.

Value added products made from Particle Boards and MDF Boards

All kinds of wood based panels used in the manufacture of furniture require the surface of panel to be painted or covered with the help of decorative laminates or by way of pre-lamination or by using veneer. The process of lamination with the help of decorative laminates and veneer is normally completed at the site by contractors / carpenters. However, pre-laminated boards are laminated in the manufacturing set up by utilizing short cycle press or low pressure technology for lamination. Pre-laminated boards are normally made from MDF boards and Particle boards as the surface of plywood is not suitable for pre-lamination. In case of pre-lamination, coated / impregnated sheet of decorative papers is directly laminated on MDF board or Particle board whereas in the case of covering the surface of plywood the decorative impregnated paper is provided support by utilizing the required numbers of impregnated sheets of Kraft paper, depending upon the thickness of lamination.

Pre-laminated MDF boards and Particle boards are manufactured in India by integrated plants having facilities for the manufacture of plain boards and stand alone producers also who source the plain boards from such Indian manufacturers or through imports. The world wide trend of production and consumption of wood based panels suggest that the share of Particle board and MDF board has been increasing in the total quantity of various products covered under the scope of wood based panels. Since Particle Board and MDF Board are largely pre-laminated, the demand for pre-laminated board is also following similar trend.

In Indian market as on now MDF board and Particle board have not found preference in house hold segment which represents over 90% of the size of furniture industry and only less than 10% is consumed by corporate sector. However, the awareness for such product has reached among the house hold customers also and there are reports of demand originating from house hold segment too. Such demands are at present fulfilled by manufacturing the furniture in India and through imports. With more production of modular furniture for house hold segment in India the demand for pre-laminated boards is likely to serge in near future.

OUR BUSINESS

The following information should be read together with, other information included in the Draft Red Herring Prospectus, including the information contained in the section entitled "Risk Factors," beginning on page xiv of the Draft Red Herring Prospectus.

OVERVIEW

Our Company is a wood based interior furnishings solution provider, primarily engaged in the manufacture of an array of wood based panel products which include medium density fibre ("**MDF**"), boards, particle boards, pre-laminated MDF and particle boards, laminates, flooring, door skins, panel doors, modular furniture and other allied products. The existing business of our Company comprises manufacturing the aforementioned products and trading in steel, chemicals, paper, thin boards and other related items required for the furniture industry, which include PVC wrapped profiles and PVC edge bends. We also trade in transferable export incentives by offering forward sell options to exporters and purchase options to the importers at deferred payment basis.

Incorporated as Shirdi International Engineers Private Limited on December 15, 1993, as a private company limited by shares under the Companies Act, our Company, was initially engaged in the business of providing consultancy services in connection with tax, export and import related matters. Subsequently, we ventured into trading in export incentive, wood based furnishing products and various commodities.

In the year 2002, our Company ventured into manufacturing of wood based panel products. Pursuant to an arrangement with Jyoti Panels Private Limited located at MIDC, Mhape, Navi Mumbai, a company engaged in the manufacture of doors and door-skins. In October, 2003, our Company acquired operating plant and machinery and stock of raw material and finished goods from Jyoti Panels Private Limited and additionally invested in plant and machinery for production of Panel Doors and Furniture Components at Navi Mumbai. In December, 2006, our Company ceased its operations at Navi Mumbai and the plant and machinery was sold to M/s S N Sales Corporation, a partnership firm in which our Company was a partner. Subsequently, our Company retired as a partner from the aforesaid partnership firm and the plant and machinery sold to M/s. S N Sales Corporation was repurchased by us for the purposes of our Pantnagar unit and our Coimbatore unit. We commenced manufacturing operations from our Pantnagar unit in February 2007. We currently manufacture plain particle board, plain MDF Board, Pre-laminated Particle Board, pre-laminated MDF Board, high pressure laminates, doors and door skins, furniture, furniture components, and flooring at our manufacturing facilities at Pantnagar, Uttarakhand.

In 2009, our Company commissioned and commenced production at our facility at Coimbatore for manufacturing of designer doors, panel doors, lamination of particle boards and MDF boards. Our Company took over some plant and machinery related to Particle board, Pre-lamination, impregnation, ceiling tiles and utility from Rampur plant of Kitply Limited for manufacturing facility at Coimbatore. We also expanded our manufacturing capacity for decorative laminates at our Pantnagar unit in 2009.

Our Company currently proposes to implement expansions at our manufacturing facilities at Pantnagar, Uttarakhand, and also establish a new manufacturing facility at Gummidipoondi near Chennai, Tamil Nadu, for establishing a MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line, a printing line and pre-lamination lines. We also propose to establish a manufacturing facility at Bhiwandi, District Thane, Maharashtra, for manufacturing edge solutions for wood based furniture products.

Our Company has executed agreements for exclusive distributorship rights in India for PVC wrapped profiles which are used for producing edge solution in modular furniture, with M/s. AGT Furniture Components, Turkey, and with M/s. PROBOS – PLASTICOS SA, Portugal for the distribution of PVC edge bends, used to cover the edges of boards used for manufacturing furniture.

Our Company manufactures plain and pre-laminated particle boards conforming to E 1 grade and the production of MDF boards conforming to E 1 grade is in the advance stage of development. Our Company has received an ISO 9001-2008 certification for manufacture and supply of all the products manufactured in the plant located at Uttarakhand. The products manufactured by our Company qualify for ECO mark and related ISI standards and are marked on request.

Our Company's Pantnagar unit qualifies for Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) credits. The aforesaid unit is entitled to generate 82,000 units of both CDM and VCS credits per year. As per the current applicable procedure, our Company is entitled for VCS credit for a period of 30 years and CDM credit for 10 years from the date of commencement of our manufacturing facility at Pantnagar i.e. from February 2007. Currently, our Company has not accounted for income against the aforesaid credits till date.

The products manufactured by our Company are sold under the brand name of "ASIS" and enjoy reputation in the market and the present customers include builders in Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu and furniture manufacturers across the country. We have a nationwide sales and distribution network in the form of our own marketing offices, dealers, distributors, sub-dealers and retailers. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have a pan India marketing network consisting of 15 marketing offices and over 115 exclusive distributors.
We have implemented an enterprise resource planning ("**ERP**"), software system developed by SAP, which integrates the management and allocation of resources for all segments of our business operations ranging from human resources to quality control. We have also implemented a business intelligence system developed by SAP.

We have demonstrated consistent growth in our business and in our profitability. As per our restated financial statements included in the Draft Red Herring Prospectus, our Company's total income for the past three fiscals, from the fiscal ended March 31, 2007 through the fiscal ended March 31, 2009, grew at a compound annual growth rate of 59.74%, from Rs. 853.47 million to Rs. 2,177.75 million, respectively. During the same period, our Company's EBIDTA grew at a compound annual growth rate of 119.75%, from Rs. 104.57 million (EBIDTA margin of 12.25%) to Rs. 504.97 million (EBIDTA margin of 23.19%), respectively. For the nine month period ended December 31, 2009, our Company had total income of Rs. 1,768.49 million and an EBIDTA of Rs. 496.91 million (EBIDTA margin of 28.10%).

OUR STRENGTHS

- ***Diversified range of products and ability to manufacture and/or source allied products in addition to MDF and particle boards***

  Besides manufacturing plain and laminated MDF and particle boards, we also manufacture decorative laminates, door skins, panel doors and other allied furnishing products such as flooring. Our Company has executed agreements for exclusive distributorship rights in India for PVC wrapped profiles which are used for producing edge solution in modular furniture, with M/s. AGT Furniture Components, Turkey, and with M/s. PROBOS – PLASTICOS SA, Portugal for the distribution of PVC edge bends, used to cover the edges of boards used for manufacturing furniture. Our revenue stream comes from diverse domains and caters to the requirements of our customers, which in turn reduces our Company's dependence on a particular product. Moreover, our ability to manufacture multiple products under one roof at our Pantnagar unit result in relatively lower operating cost and relatively enhanced profitability, since the same results in cost saving in terms of shared overheads and resources across different product categories. It also reduces transportation costs for raw materials on account of the close vicinity of forests and improves logistics management as our dealers can place orders for multiple products resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

- ***Entry Barrier to the wood based panel products manufacturing industry, places us at an advantage***

  The manufacturing activities relating to the wood based panel products industry are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. Pursuant to the order of the Hon'ble Supreme Court dated October 29, 2002, unlicensed saw mills, veneer and plywood industries are not permitted to operate in India. Further, opening of a new saw mill, veneer or plywood industry requires a prior permission from the Central Empowered Committee. The grant of a license is further subject to strict compliance with the prescribed regulatory norms and relaxation of any of the norms is not permitted. These complexities in obtaining new licenses make it difficult for new players to enter the market. On wood based industries, the Honourable Supreme Court of India has given specific directives from time to time. We have been granted the requisite permissions from the state forest authorities with the prior permission from the Central Empowerment Committee. Statutory and/or regulatory requirements represent a large entry barrier in the interiors infrastructure segment and the wood based panel products manufacturing industry in India. We therefore believe that our production license gives us a relative first-movers and early entrants' advantage.

- ***Integrated manufacturing facilities coupled with modern infrastructure***

Our Company has a manufacturing facility at our Pantnagar unit. We have recently implemented the second phase of expansion and capacity addition at our Pantnagar unit and have also recently commissioned our second manufacturing facility at Coimbatore. Further, we propose to expand our manufacturing facilities at Pantnagar and also propose to commission our new manufacturing facility near Chennai, Tamil Nadu manufacturing decorative laminates and pre-lamination amongst others. Our investment in modern infrastructure and our ability to achieve optimum capacity utilization through our manufacturing processes contributes to economies of scale. We also propose to establish a manufacturing facility at Bhiwandi, District Thane, Maharashtra, for manufacturing edge solutions for wood based furniture products.

Our Company has installed telescopic belts, wind forming stations, automatic glue forming stations and advance PLC controls, which assures a relative consistent quality in production with relatively higher yield. Our Company's manufacturing capabilities include ability to manufacture boards with less density due to better controls on pressing parameters.

Further we have implemented an enterprise resource planning software system developed by SAP, ("**ERP**"), which integrates the management and allocation of resources for all segments of our business operations ranging from human resources to quality control. We believe that the ERP system, coupled with our strong internal and external control mechanisms facilitate our management and personnel to take informed decisions in managing our inventories, supply chain and consignment status across all products, locations and divisions across the country in a more efficacious and efficient manner.

- ***Cost efficient sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. Being a relatively large player in the MDF and particle board segment of the industry, with our experience and track-record, we believe we are able to procure raw material typically in a timely manner and at competitive prices. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms sourcing our raw material, manufacturing at relatively cheaper power tariff rates in the state of Uttarakhand and engaging labour at relatively lower costs. The key raw materials for the manufacture of our products are timber, resins, chemicals and paper. Our particle board and MDF unit is located strategically close to a rich raw material source in Uttarakhand. Kraft paper required for laminate manufacture is primarily sourced from the neighboring state of Uttar Pradesh. Our Company is entitled to avail the benefit of deduction under applicable provisions of the Income Tax Act, 1961, in relation to any profits and gains derived on account of our manufacturing facilities being situated in the state of Uttarakhand.

Our Company is entitled to avail of the following tax benefits for Uttarakhand plant, which enables our Company to offer the products at competitive rates -

a. Exemption from Entry Tax.
b. Lower rate of 1 % Central Sales Tax.
c. Exemption from Central Excise Duty for ten years from the financial year 2006-07.
d. Exemption of 100% from Income Tax for first 5 years with effect from FY 2006-07 and 30% for next 5 years.

- ***Sales and marketing capabilities and strong dealer network***

Our distribution network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery. Our dealer base is supported by an efficient sub dealer and distribution network and sales team, leading the products to retail outlets and making our products available on the shelf across most places at all times thereby reducing dealer stock levels and increased annual sales per dealer. Further, this network of retailers and dealers provides our customers with a first point of contact for us in each of our markets and our marketing efforts are further complimented by the direct involvement of our marketing team for each inquiry and order. We have a pan India marketing network consisting of 15 marketing offices and over 115 exclusive distributors.

- ***Experienced management***

  Our management team has requisite mix of having academic backgrounds from the wood based panel product industry, business management, commerce, etc. They hold qualifications in engineering, designing, business management and accounting. In addition, our management team has considerable experience in the wood based panel products industry, with our promoters having extensive knowledge and around 15 years of experience in connection with the import of wood based products and furnishing equipment. The members of our senior management have other diverse skills which have helped us to grow and develop us faster. Our management team's skills include marketing, sales management, strategic sourcing, supply chain management, domestic capital raising and implementing expansion projects. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the wood based panels sector.

OUR STRATEGY

- ***Capacity expansion for enhancing manufacturing capabilities in connection with our existing range of products, as well as for foraying into manufacturing new products and establishing manufacturing facilities at various geographical regions across the country.***

  Since the commissioning of our plant at Pantnagar, Uttarakhand, our Company has steadily looked at expanding its manufacturing facilities and capacities in regular periodical intervals and in planned phases, to keep abreast with the growing demand for wood based and furnishing products. In the year 2008-09 our Company implemented the second phase of its expansion and diversification programme at its manufacturing facilities in Uttarakhand. Further, in October, 2009, our Company commissioned and commenced production of laminates, door skins, flooring and other products at our manufacturing facility located at Coimbatore. Our Company has acquired land at Gummidipoondi, near Chennai, Tamil Nadu, where we propose to establish manufacturing facilities for our existing range of products. We propose to become a complete integrated player with manufacturing and marketing capabilities in relation to a wide range of wood based products catering to the furnishing industry. As a part of this strategy our Company also proposes to establish manufacturing facilities for slitting of mother rolls of edge solutions for wood based panels in Bhiwandi, District Thane, Maharashtra. Pursuant to the aforementioned proposed expansion projects, our Company proposes to enhance our manufacturing capacities and add facilities for manufacturing plywood, veneers, continuous laminates and other furniture components in addition to our existing range of products, in order to consolidate our position as an integrated player in the wood based products and interior infrastructure and furnishing industry.

- ***Strengthen our brand value and create awareness for our products***

  Our Company has been marketing the products manufactured and/or distributed by us under the brand name of 'ASIS'. Although relatively new in the wood-based products and furnishing industry, we believe our brand name has steadily gained recognition among consumers which is reflected by a continued growth in our sales figures over the course of the last three financial years. Our Company proposes to further strengthen the position of our brand and to create awareness for our products through a variety of aggressive brand promotion exercises in the media. In this regard our Company has executed contracts with leading television channels for telecast of commercials for our products. Further, as a part of our promotional initiatives for creating initiatives in the furnishing industry, our Company has signed a contract with Times Group by becoming title sponsor for a programme Design Warz for a period of three years. We believe the wood based products industry is gradually witnessing an emergence of organized players, which historically has otherwise been pre-dominantly unorganized. We seek to capitalize on our relative early-movers advantage in the organized space of the wood based products industry, in this environment and consequently, we believe it is essential for us to invest in strengthening our existing brand and to develop new brands in order to capitalize on our existing position in the market.

- ***Develop and strengthen our sales and distribution networks and introduce complete solutions for our customers***

  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. 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 depends on our ability to attract additional distributors to our distribution network. Preferences and perception of the consumers in India and globally in connection with furnishings and interior products and the introduction of new products in the furnishing sector impact our operations. The demand and popularity of MDF boards and particle boards in India is relatively lower as compared to plywood and other veneers. Accordingly, we will continue focussing on developing and strengthening our sales and distribution networks and our introducting intergarted solutions for the benefit of our customers. As a part of our sales and distribution strategy we propose to penetrate the domestic market further by opening new sales and marketing offices at various geographical locations across the country and by way of appointment of new distributors, sole selling agents and franchisees, at various locations including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities. Furthermore, we propose to maintain inventory at various locations by maintaining warehouses and go-downs which are strategically located, so as to save on transportation costs and expedite delivery time of our products. In order to provide complete integrated solutions in connection with our products we also propose to establish service centres for our products either on our own or in association with others with the objective of meeting the need of customers requiring furniture and finished items in customized manner and with relatively fast delivery schedules. As strategy of further integrating our business we propose to set up show rooms for display of furniture items manufactured by them in major cities.

- ***Focus on capitalizing on the growth in the real estate and the information technology sectors in India***

  Almost five per cent of the India's GDP is contributed to by the housing sector. In the next five years, this contribution to the GDP is expected to rise to 6 per cent. It has also been suggested that India's property sector could begin to improve from late 2009 and may attract up to US$ 12.11 billion in real estate investment over a five-year period. Almost 80 per cent of real estate developed in India is residential space, the rest comprises of offices, shopping malls, hotels and hospitals. According to the Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to middle- and lower-income groups. Further, the information technology, ("**IT**"), and IT-enabled services, ("**ITES**"), sector alone is estimated to require 150 million sq ft of office space across urban India by 2010. Organised retail is also responsible for the growth in commercial office space requirement. The organised retail industry is likely to require an additional 220 million square feet by 2010. Moreover, growth is not restricted to a few towns and cities but is pan-India, covering nearly all Tier-I and Tier-II cities. In light of the growing development in the real estate sector, particularly the housing sector and the ITES industry in India, we believe there would be a sustained growth in demand for wood-based furnishing products. Accordingly, we propose to approach office space and housing developers directly to capitalize on the growth in the real estate and the ITES sectors in India.

- ***Develop Export opportunities for our products***

  Our Company currently exports a range of decorative laminates and value added products made out of particle boards and MDF board, particularly in Gulf and African countries. We propose to continue to establish a global presence of our products through the export market in the near future.

OUR BUSINESS ACTIVITIES

A. Manufacturing

Our Company is an interior infrastructure and furnishing company engaged in the manufacture of medium density fibre, boards, particle boards, pre-laminated MDF and particle boards, laminates, flooring, door skins, panel doors, and other allied products.

Products

We currently manufacture medium density fibre, boards, particle boards, pre-laminated MDF and particle boards, laminates, flooring, door skins, panel doors, and other allied products including furniture items.

The products manufactured by our Company are primarily used in the manufacture of modular furniture, largely meant for corporate furnishing and requirement of service industry. The main consumers of the products manufactured by our Company are IT Companies, business process outsourcing companies, call centers, hospitals, hotels, educational institutes, air ports, corporates, for their administrative offices and service providers such as financial services, bankers, logistics, etc. The products of our Company also find application in furnishing of retail malls. Recently builders / developers have started providing furnished houses and modular kitchens also which are made using our products.

1. PARTICLE BOARD

Particle boards are a composite panel product consisting of cellulosic particles of various sizes that are bonded together with a synthetic resin under heat and pressure. Particle boards assumes importance in the wood panel products industry from the point of view of conservation of scarce forest resources in a country.

Particle boards give industrial users the consistent quality and design flexibility needed for fast, efficient production lines and quality consumer products. Particle board panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific particleboard needed.

2. MEDIUM DENSITY FIBRE BOARD

Fibreboard is a board made from refined or partially refined wood fibres or other vegetable fibers. Bonding agents are incorporated in the manufacture to increase strength, resistance to moisture, fire or decay.

The surface of MDF is flat, smooth, uniform, dense and free of knots and grain patterns, all of which make finishing operations easier and more consistent, especially for demanding uses such as direct printing and thin laminates. The homogeneous density profile of MDF allows intricate and precise machining and finishing techniques for superior finished products. Trim waste is significantly reduced when using MDF compared to other subtracts. Stability and strength are important assets of MDF, and it holds precise tolerances in accurately cut parts.

Medium Density Fiberboard is widely used in the manufacture of furniture, cabinets, door parts, moldings, millwork and laminate flooring. MDF panels are manufactured in a variety of dimensions and densities, providing the opportunity to design the end product with the specific MDF needed.

3. PRE LAMINATED MDF AND PARTICLE BOARD

Pre-laminated MDF Board and Particle Board are used to make furniture. Such boards are laminated in the factory before being dispatched. The lamination is made by pressing sheets of impregnated designer paper on both sides of surfaces of the board. Use of pre-laminated board reduces the time and cost incurred in making furniture.

4. DECORATIVE LAMINATES

Decorative Laminates are paper products, which are made by pressing various sheets of impregnated craft paper and decorative paper on the top. Depending upon the thickness of laminate required, the number of the sheet of the craft paper are pressed over each other. The process of impregnation of decorative paper is similar as explained in impregnation section. However the impregnation of craft paper is done with PF resin in the place of MF resin. Laminates are manufactured by assembling thin sheets of impregnated kraft, barrier, designs and overlay papers upon each other (outer layer has decorative colour or design) and pressing the assembly between stainless steel pressed plates in a hydraulic press under high pressure and temperature. The impregnation of the papers with melamine formaldehyde and phenol formaldehyde resins is done by impregnators capable of controlling process parameters within very narrow limits.

5. LAMINATED FLOORINGS

For manufacture of laminated flooring the sheet of pre-laminated MDF Board of required thickness is cut according to width and length of the flooring. Such cut to size is then feed to a longitudinal grooving machine, which makes the groove on both the side of the panel along the length. One groove is made in male form and another groove is made into female form. This is necessary to fit in together various planks while lying on the floor. The process is repeated for transverse sides also for making the groove.

6. DESIGNER DOORS AND PANEL DOORS

Designer doors and Panel doors are used at various entry points in offices / residential premises. In case of designer door selected designs are carved on the surface of the door which is constructed with the objective of accommodating such carving. In case of panel door, instead of carving on the surface, high density fiber door skins are used for giving the required look. Such doors can be designed from both the sides and they are sold either in plain form or painted or laminated form. Such process of lamination / painting can also be done on one side or both the sides. Lamination with the help of PVC is made with the use of membrane press.

7. DESIGNER DOOR SKINS

Designer door skin is the product made out of plywood and PVC foil. Through a vacuum pressing system and with the help of moulds designs of various types are created on PVC foil. Such designed PVC sheet is thereafter pressed on plywood to make the door skin. These door skins are thereafter applied on the surface of door to provide desired look.

8. FURNITURE AND FURNITURE COMPONENTS

We also manufacture furniture and furniture components. The main furniture components are table tops, shutters of ward-robs and other components of various furniture items. The modular furniture made by our Company is particularly meant for house hold segments and small office segments.

Comparison of Various Panel Products

Particular	Plywood	Particle / MDF Boards
Input material	Prime Quality of Log and Face Veneer.	Any quality of wood waste / Agro waste.
Utilization of Wood	Less than 65% of wood available in Tree.	Over 90% of the wood available in the Tree.
Process of Manufacture	Peeling and Hot pressing. Cores are formed to provide the thickness.	Chipping, Fiber making, Washing, Drying, Forming, Pressing and Sanding.
Powder / Borer / Fungus	Highly Exposed	Completely Free
Uniformity of Core	Big Core gaps are found in the finished products.	The chips are pressed in the place of the slice of tree resulting into no gaps / voids.
Waviness in	Due to various cores being pressed over	The surface of the board is smooth.

Particular	Plywood	Particle / MDF Boards
Surface	each other, the surface is not uniform.	
Surface lamination	Due to non uniform surface Plywood can not be Pre-laminated with the paper and requires decorative laminates / veneer etc. as post lamination.	Perfect Pre-lamination is possible with vide choice Design, Colour and finish.
Bonding strength of laminates	The laminates can be etched out easily due to uneven surface, manual bonding and formation of bubbles.	Pre-laminated boards are made though proven technology by using impregnated papers and specific pressures and temperature to proved permanent bond with the board.
Workability with Machines	Not suitable for mass production due to presence of cores, un even moisture and poor bonding.	All over the world preferred for mass production and Modular Furniture.
Size of the board	Limited because of the size of the cores.	Flexibility of size depending upon the size of press.
Straightness	For long span, Plywood requires support of wooden frames.	The span for MDF can be more than Plywood.
Machine ability of surface	The surface of plywood can not be routed for design.	MDF and Particle Boards can be given any shape and design by machining and molding both.

RAW MATERIAL

The major raw material for manufacture of MDF and particle boards is wood waste of different types i.e. saw dust, cuttings, trimming, used furniture, chips and all under sized trees grown as commercial plantation. The input material can also be used from wood available from small trees, firewood and tree branches.

Wood waste is generated from the production lumber, plywood, rejection, size cut, scrap, trimming, cutting, saw dust and post consumer use where the furniture has served its use and it is destined for disposal. In the manufacturing of MDF and particle board, over 90% of the wood available from a tree is utilized as against less than 60% in the case of items made out of timber or plywood.

The estimated requirement of wood for the manufacturing activities of our Company is approximately 2,00,000 CBM per annum, which require the plantation on nearly 500 hectare of the land per annum on sustainable basis (2,00,000 CBM / 400 CBM per hectare). Farmers grow such plantation on the boundary of the land and inside land also best utilised by doing inter cropping. This results into substantial increase in the income of farmer and secures the farmer against draught / flood also. Since the plantation is harvested in a period of 6 to 10 years, environment is further improved till the harvesting of plant.

The products manufactured by our Company also require resin as major input material. In case of resin, the composition of the resin adopted by our Company is at competitive cost but the resin consumption per unit of production is also less together with higher yield in production as the pressing time with the resins used by our Company is comparatively less.

1. CHEMICALS

The main chemicals required by the Company are Melamine, Phenol, Wax, Resins, Formaldehyde, Methanol, Cardinal, etc. All such items are available through several vendors. None of these chemicals required by our Company are of proprietary nature.

2. RESIN AND GLUE :

Besides purchasing resins, the Company has large set up for the manufacture of resin and glue for captive consumption also. Our Company requires different types of resins for the manufacture of different types and grades of products. Specific characteristics are achieved in resin by adding several additives. The resin formulas are also made by our Company.

3. **PAPER :**

For the manufacture of Pre-laminated Board and Decorative Laminates our Company requires paper of various kinds' i.e. decorative paper, plain paper, barrier paper, balancing paper, Kraft paper and packing paper. The width of these papers is between 1250 to 2000 mm and the weight of such paper is between 60 GSM to 180 GSM. According to the requirement, the paper is purchased from the indigenous manufacturers and it is imported from Europe and Chine also. Our Company also sends print based plain paper for jobbing to various printing companies for printing in specific colors developed by our Company. None of the paper purchased by our Company is of proprietary nature.

4. **OTHER RAW MATERIALS** :

The other raw materials required by our Company are hardware, PVC foil, flush door, plywood and other packing material. Such material is also available through various Indian sources.

For manufacture of other products, our Company requires following raw materials:

Item	Raw Material
Pre-laminated boards	Plain MDF / Particle Board, Decorative Paper, Melamine Formaldehyde Resin, Packing Material, Formaldehyde
Flooring made of Pre-laminated MDF Board and Particle board	Pre-laminate MDF/Particle Board, Packing Material
Decorative Laminates	Craft Paper, Decorative Paper, Phenol Formaldehyde, Melamine, Formaldehyde, Packing Material
Door Skins	Plywood / MDF / Particle Board, Glue, PVC Foil, Packing Material
Panel Door/Designer Door	Flush door, Glue, PVC Foil, Door Skin, Packing Material
Furniture Components and Modular Furniture	Laminate, Glue, PVC, Paint, Veneer, Plywood, Plamer Prelaminate, Particle Board, MDF Board Hardwares and Packing Material

MANUFACTURING PROCESS

MDF and Particle Board

The manufacturing process for MDF and particle boards use wood chips/fibre as raw material, consists of the following 9 sections:

- Material preparation section
- Chips/Fibre manufacturing section
- Resin manufacturing section
- Glue and paraffin regulating section
- Spreading and hot pressing section
- Cooling and trimming section
- Sanding section
- Impregnation Section
- Pre-lamination section

Material Preparation Section

The raw material (wood waste) is sized by chipper. The chips are conveyed on conveyer belt into a chips silo for temporary storing. Chips are passed through swinging screen to remove small particles, mud and sand, and transported into pre-heat silo of refiner by a bucket conveyor.

Fiber Manufacturing Section

Wooden chips in pre-heat silo are pre-heated by saturated steam and evenly enters the digester via screw feeder to cook and soften the chips, so fibre is easy to be separated. The cooked chip is reduced into fibre by the function of heat and mechanical movement. Then the reduced fibre is transported to dryer or cyclone by blow valve via fibre-spray-tube. Glue jetting device is set on the fibre-spray-tube. Paraffin wax adding hole is set on the de-fibrator housing, it can feedback glue applying volume according to the chip volume in the refiner.

Wooden fibre mixed with hot drying medium, is suspended in such a high-pressure and high-speed airflow that water staying in the fibre is evaporated by the drying medium in the dryer. Then through the lower discharging-opening of cyclone, the fibre falls onto the forward-reverse belt conveyer and transported to dried-fibre-silo for temporary storage. Spark detector is set on the drying pipe for fire extinguishing system.

Resin Manufacturing Section

The required chemicals for making resins are stored in underground tanks. They are mixed in pre-determined ratios in different vessels at specific temperature and pressure to make required quality of binding agents. Additives are added to achieve additional quality parameters before being applied to the board.

Glue and Paraffin Regulating Section

Here the technique is glue applying before drying. Melt paraffin wax and other waterproofing agents are sent to the refiner, mixed evenly with the fibre/chips by grinding and squeezing of grinding plates. Glue jets into the fibre/chips-spray-tube under a certain pressure via pipes. The glue mist adheres to the surface of fibre/chips by the high-speed airflow in the pipe.

Spreading and Hot Pressing Section

This section including forming, pre-pressing, mat conveying, mat cutting, hot pressing, cooling and trimming. To produce quality board, dried fibre/chips are transported at a certain speed to the upper part of forming machine (the spreader/former), and then spread evenly onto annular screen-belt conveyer by spike-rolls. There is vacuum box under the screen-belt, air is sucked through the screen-belt and fibre/chips is adhered on the screen-belt, thus forming a loose mat. Pressed by the pre-press, the loose mat is reduced into a relatively densed mat, then cut into sized mat by mat-transversal-and-longitudinal saw. Transported by synchronous conveyer, acceleration belt conveyer, and fast-speed belt conveyer, the mat is carried to board loader. The caulless belt-tray of the loader transports the mats into hot press; meanwhile, the pressed rough board is pushed out. When the caulless belt-tray of the loader reaches its terminal point, the pressed rough board enters unloader completely, at the same time, mat reaches its position in hot-press. The mat stays on the press-platen of a hot press, and then it is pressed into a certain thickness by the hot press. Meanwhile, the inner adhesive is hardened, thus a piece of fibreboard (rough board) with certain strength is produced. After pressing, the fibreboard is transported to the next section.

Cooling and Trimming Section

The board after hot pressing, passed through a cooling machine, inclined roller-conveyer and then enters the transversal-longitudinal saw machine where it is cut into size medium density fibreboard and the same is temporarily stacked.

Sanding Section

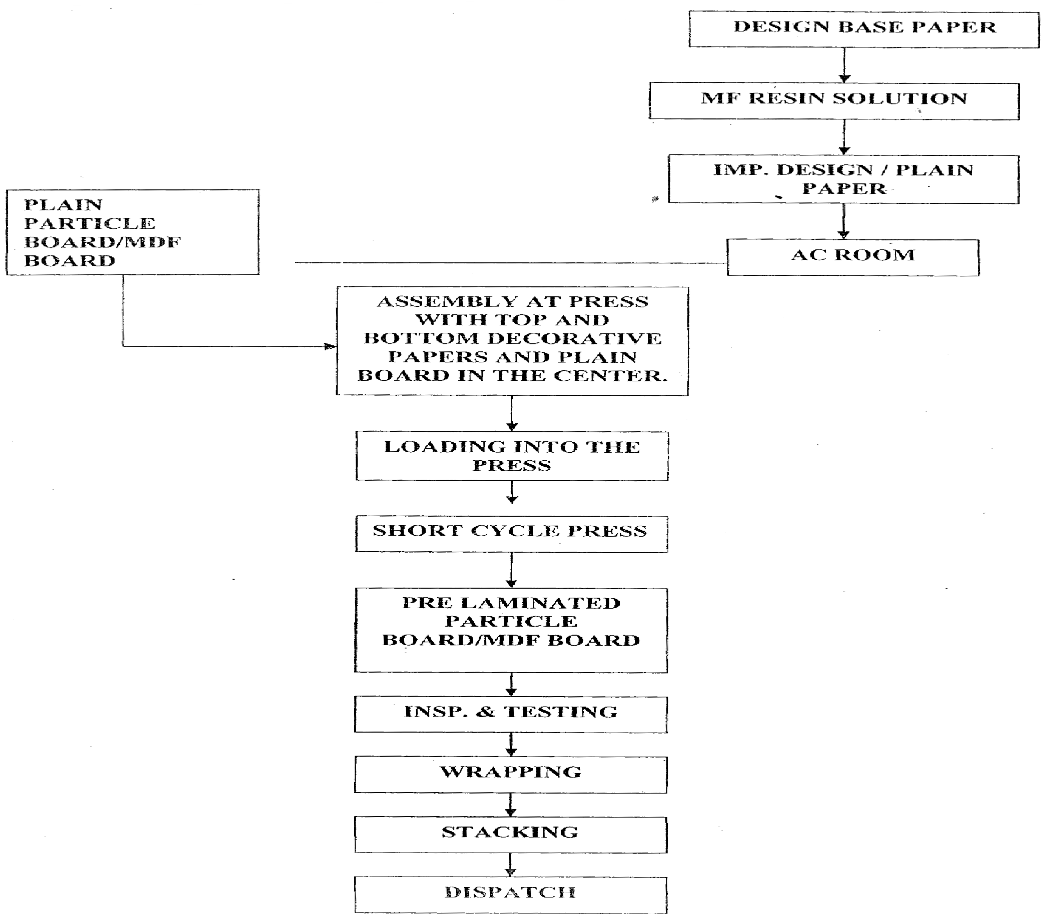
The rough board is transported by forklift truck, and placed on roller stand of hydraulic lift. Pusher pushes board into feed-roller, sanding by wide-belt sander. Hardened surface is removed, and obtain required thickness and roughness. After checking, rating, stacking, packing, finally, the board is sent into warehouse for storage.

Impregnation Section

In this section on the base paper and balancing paper to be used for pre-lamination of board are impregnated with MF resin. The roll of paper is unwinded and fed into impregnator, where resin of required grams is applied through rollers. Normally the resin pickup is 100% of the weight of paper. The impregnation paper is then dried, cooled and stored in air-conditioned room.

Prelamination Section

In this section the plain boards are pre-laminated with impregnated base paper. The plain Board is fed into press and before pressuring the impregnated paper is spread on both the side of board. Inside the hot press the board and paper are pressed under required pressure and temperature. The board is then unloaded from the machine though vacuum hoist system.



MANUFACTURING FACILITIES

Our current manufacturing facilities are located at Pantnagar, Uttarakhand and Coimbatore, TamilNadu.

Land and Building

The details of the land and building of our manufacturing facilities are as follows:

Pantnagar, Uttarakhand:

Pursuant to lease deed dated September 15, 2005, State Industrial Development Corporation of Uttarakhand Limited ("**Lessor**") transferred land located at PantNagar, Uttarakhand ("**Leased Property**") to our Company ("**Lessee**"); ("**Lease Deed**"). The total area of Leased Property is approximately 101,656 square meters. The term of the Lease Deed is valid for a period of 90 years. The Lessee shall pay Rs.560/- per square meter amounting to Rs.56,927,360/- for the Leased Property as provisional land premium. In addition to the provisional land premium, the Lessee need to pay annual rent of Rs.508,280/- payable in advance on or before the April 30th each year.

Coimbatore, Tamil Nadu

Pursuant to a leave and license agreement dated August 31, 2009, Ari Fabric Limited, has granted a license to our Company to use and occupy land admeasuring approximately 3 acres situated at SF No. 170/2, Annur – Mettupalayam Road, Pogular (Post), Annur 641 697. The term of the leave and license agreement is a period of 10 years commencing from September 1, 2009. Our Company is required to pay a sum of Rs. 60,000 per month as license fee which is liable to increase by 13% after the expiry of thirty six months from September 1, 2009.

OUR CAPACITY AND CAPACITY UTILISATION

The licensed capacity, installed capacity and actual production our Company's manufacturing facilities at Uttarakhand and Coimbatore are as below:

	Licensed Capacity			Installed Capacity			Actual Production		
Class of Goods	Plain and Pre-laminated Boards	Decorative Laminates	Furniture	Plain and Pre-laminated Boards	Decorative Laminates	Furniture	Plain and Pre-laminated Boards	Decorative Laminates	Furniture*
	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.
December 31, 2009	50,881,000	18,800,000	-	14,253,198	10,800,000	11,711,494	4,020,063	2,560,203	-
March 31, 2009	38,690,000	13,700,000	-	13,058,405	3,600,000	5,285,120	5,583,752	2,641,709	-
March 31, 2008	13,690,000	10,600,000	-	13,058,405	3,600,000		6,085,994	1,560,968	-
March 31, 2007	13,690,000	5,500,000	-	13,058,405	3,600,000		139,502	8,629	
March 31, 2006	-	-	96,000	-	-	96,000	-	-	-
March 31, 2005	-	-	96,000	-	-	96,000	-	-	-

B. Trading

Our Company started its business activities from 1993 as traders of various commodities. The Company started trading in MDF boards in 1995. The present line of trading activities include purchase and sale of steel, chemicals, paper, thin boards and other related items required for furniture industry. The Company also deals in purchase and sale of transferable export incentives (Duty Free Import Authorization). Further, our Company has executed agreements for exclusive distributorship rights in India for PVC wrapped profiles which are used for producing edge solution in modular furniture, with M/s. AGT Furniture Components, Turkey, and with M/s. PROBOS – PLASTICOS SA, Portugal for the distribution of PVC edge bends, used to cover the edges of boards used for manufacturing furniture.

TECHNOLOGY

Our Company has utilized advanced technology for the manufacture of plain boards by installing telescopic belts, wind forming stations, automatic glue forming stations and advance PLC controls. This has assured the consistent quality in production with relatively higher yield. Our Company is capable of manufacturing boards with less density due to better controls on pressing parameters. Further, the trimming allowance and sanding allowance is required to be maintained on the boards. The sanding allowance maintained by our Company is relatively less. Similarly the trimming allowance on both the sides (length and width) observed by our Company is relatively less.

RESEARCH AND DEVELOPMENT

We have a strong focus on the research and development of products, processes and technology to endeavor to achieve a leading position in our market. In order to achieve this, we:

- endeavor to maintain highly trained and experienced employees
- use the latest technology available worldwide, to create high quality products;
- continue to develop new manufacturing & testing facilities to eliminate defects in our products; and
- provide on job training to our employees.

Our management is committed to providing all necessary resources for research and development in order to achieve the above stated objectives.

QUALITY AND QUALITY ASSURANCE

We have implemented quality assurance management systems and procedures that are aimed to ensure consistency in the standard of our products and services across various areas of our business operations as well as in different geographical locations. Our Company manufactures plain and pre-laminated particle boards conforming to E 1 grade and the production of MDF boards conforming to E 1 grade is in the advance stage of development. Our Company has received an ISO 9001-2008 certification for manufacture and supply of all the products manufactured in the plant located at Uttarakhand. The products manufactured by our Company qualify for ECO mark and related ISI standards and are marked on request.

Further we have implemented an enterprise resource planning software system developed by SAP, ("**ERP**") in October, 2006, which integrates the management and allocation of resources for all segments of our business operations ranging from human resources to quality control. We believe that the ERP system, coupled with our strong internal and external control mechanisms facilitate our management and personnel to take informed decisions in managing our inventories, supply chain and consignment status across all products, locations and divisions across the country in a more efficacious and efficient manner.

HEALTH AND SAFETY

We are committed to training and safety of our employees. Our goal is to provide an injury and accident free work environment by applying our safety management systems. Our policies, procedures and training programs have all been developed in line with recognised industry standards, supplemented by input from management and employees. Our quality and safety management systems are subject to regular management audits.

EMPLOYEES

We have a total of 566 employees as on March 31, 2010. Out of the total employees, 421 are engaged in connection with our manufacturing operations and 145 are engaged in connection with administration and sales and marketing activities.

We place a significant emphasis on the recruitment and retention of our personnel and provide continuous training for employees to achieve high quality skills. We have also adopted international best practices in managing human resources. Regular open house and skip level meetings provide a source of two-way communication with our employees. We have also embarked on a new talent development initiative which is aimed at building a leadership pipeline that can enhance the leaders of the caliber we require to manage our growth and diversification plans.

There have been no disputes, resistance or other occurrences in connection with the employees of our Company which would have a material adverse effect of our operations or profitability over the past three fiscal years.

ASIS Vaarta

Our Company has started quarterly in-house magazine ASIS Vaarta in the first quarter of the year 2008. ASIS Vaarta is distributed amongst vendors, customers, channel partners, architects, distributors, builders and others. It acts as a platform for exchange of views and information among st them. ASIS Vaarta motivates all the member s and employees of our Company to work and deliver in the best of interests of our Company.

INTELLECTUAL PROPERTY

1. Registered Trademarks

Sr. No.	Trademark	Registration No.	Date of Certificate of Registration	Class and Goods/Services	Date of Use Claimed
1.	ASIS J No- 1302 (S-III)	1149984	June 15, 2004	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin	November 11, 2002
2.	ASIS J No- MEGA-4	947483	February 21, 2005	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components	August 14, 2000
3.	MISC GEO. (DIV) J No- MEGA-4	947484	April 04, 2005	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components	August 14, 2000
4.	ECO-DECO J No- 1339 (S-I)	1360992	February 03, 2007	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin	June 01, 2005
5.	ASIS BOARD J No- 1345	1360773	March 17, 2007	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin	May 31, 2005
6.	ASIS PAN J No- 1402	1679869	March 31, 2009	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components	April 24, 2008

2. Trademarks applied for pending registration:

Sr. No.	Trademark	Date of application	Application No	Class and Goods/Services
1.	ASIS LOGO *Aao Ghar Savarren*	October 01, 2009	1868999	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
2.	ASIS LOGO *Aao Ghar Savarren*	October 01, 2009	1868900	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin

Sr. No.	Trademark	Date of application	Application No	Class and Goods/Services
3.	ASIS MDF *Plain and Prelaminated*	October 08, 2009	1881896	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
4.	ASIS MDF *Plain and Prelaminated*	October 08, 2009	1881897	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
5.	ASIS PARTICLE *Plain and Prelaminated*	October 08, 2009	1881898	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
6.	ASIS PARTICLE *Plain and Prelaminated*	October 08, 2009	1881899	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
7.	ASIS LAM *Decorative Laminates*	October 08, 2009	1881900	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
8.	ASIS LAM *Decorative Laminates*	October 08, 2009	1881901	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
9.	ASIS DOORS *Designer Doors*	October 08, 2009	1882637	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
10	ASIS DOORS *Designer Doors*	October 08, 2009	1882638	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
11	ASIS FLOOR *Laminated Flooring*	October 08, 2009	1881902	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
12	ASIS FLOOR *Laminated Flooring*	October 08, 2009	1881903	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
13	ASIS INTERIOR *Furniture Components*	October 08, 2009	1882633	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
14	ASIS INTERIOR *Furniture Components*	October 08, 2009	1882634	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
15	ASIS MODULAR FURNITURE *Home Interior Solutions*	October 08, 2009	1882635	Class 19 in respect of plywood, blockboard, vineer, door, window, plywood door skin
16	ASIS MODULAR FURNITURE *Home Interior Solutions*	October 08, 2009	1882636	Class 20 in respect of plywood, MDF boards, particle board, veneer, furniture and furniture components
17	ASIS LOGO *The Mark of Trust*	October 08, 2009	1882639	Class 39 in respect of transport, logistics, packaging and storage of goods, travel arrangement

3. Copyrights applied for pending registration

Sr. No.	Copyright	Date of Application	Application No
1.	ASIS LOGO	October 08, 2009	25135

	Aao Ghar Savarren		
2.	ASIS LOGO *The Mark of Trust*	October 08, 2009	25154

AWARDS AND CERTIFICATES

ISO 9001-2008 certification for manufacture and supply of all the products manufactured in the plant located at Uttarakhand by TUV-NORD vide certificate dated February 12, 2009

ENVIRONMENT

We are committed to protecting the environment in the course of our operations. We strive to reduce emissions and discharges of waste which are known to have a negative effect on the environment. We have put in place procedures to ensure that our operations comply with relevant environmental regulations. We believe we are materially compliant with the relevant international environmental standards. We have a Health, Safety and Environment policy which reaffirms our commitment to provide a safe work place and clean environment to our employees and other stakeholders. Our offices and operational facilities are also materially compliant with applicable local environmental regulations.

Our Company's Pantnagar unit qualifies for Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) credits. The aforesaid unit is entitled to generate 82,000 units of both CDM and VCS credits per year. As per the current applicable procedure, our Company is entitled for VCS credit for a period of 30 years and CDM credit for 10 years from the date of commencement of our manufacturing facility at Pantnagar i.e. from February 2007. Currently, our Company has not accounted for income against the aforesaid credits till date.

MARKETING AND DISTRIBUTION CHANNELS

We have a nationwide sales and distribution network in the form of our own marketing offices, dealers, distributors, sub-dealers and retailers. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have segregated our marketing team into two verticals with a focus on product categories which is MDF board ,particle board, lifestyle products laminates, door floor and furniture. We have a pan India marketing network consisting of 15 marketing offices and over 115 exclusive distributors.

EXPORT OBLIGATIONS

As on December 2009, our total export obligation is Rs. 2,166.62 million approximately. With regards to exports, our Company made total exports of Rs.1.58 million in FY 07-08 which was 0.07% of our annual revenues for that financial year. During the financial year ended March 31, 2009, our Company made total export of Rs.104.11million, which was 4.78% of our annual revenue for that financial year, however, due to global recession the export activities were put on hold as the realization of export proceeds were delayed. After the Company realized the full export proceeds, the Company has restarted the exports since November 2009. During the nine months period ended December 2009 our Company has made total export of Rs.27.33 million. The exports are made mainly to Gulf countries. On the basis of export in the first year, the Company has been awarded Export House Status by the Ministry of Commerce and Industries.

Details of subsisting export related licenses and status of export obligations of our Company are as follows:

Sr. No.	Unit	License No.	License Date	Export Obligation (FOB) (Amount in US$)	Due Date of Obligation	Export Obligation Fulfilled (Amount in US$)	Balance Export Obligation (Amount in Rupees)	Duty Saved Value (Rs. in Lakhs)
1.	Euro vacuum press model 2000/2 along with spares and accessories	0330004445	October 03, 2003	115,165.22	October 22, 2011	162,771.50	(47,606.28)	688,832.00
2.	Complete second hand plant (in	0330008925	June 16, 2005	15,272,183.90	June 15, 2013	2,748,044.83	12,524,139.07	91,346,750.00

Sr. No.	Unit	License No.	License Date	Export Obligation (FOB) (Amount in US$)	Due Date of Obligation	Export Obligation Fulfilled (Amount in US$)	Balance Export Obligation (Amount in Rupees)	Duty Saved Value (Rs. in Lakhs)
	CKD and SKD condition) for manufacture of MDF board comprising of equipments, auxiliary equipments, structures, accessories, spares, drawings, engineering and manuals							
3.	Siempelkamp Melamine Press Line, DG Set, transformers, Hot hydraulic press	0330011541	March 29, 2006	8,100,794.65	March 28, 2014	-	8,100,794.65	42,243,348.50
4.	Supply of the plant for the manufacturer of MDF/HDF production line alongwith all attachments, auxiliary equipments, structures, drawings, engineering and manuals	0330012607	July 19, 2006	5,868,748.92	July 18, 2014	-	5,868,748.92	33,892,025.04
5.	Hardened Stainless Steel Plates, HPL Sanding Machine	0330014279	December 08, 2006	4,455,415.01	December 07, 2014	-	4,455,415.01	25,033,863.09
6.	Short Cycle Press for melamine faced pre lamination of PPB/MDF boards alongwith all attachments, auxiliary equipments and accessories	0330015450	March 20, 2007	658,722.90	March 19, 2015	-	658,722.90	3,660,029.16.00
7.	Forklift GX 500 D, Forklift GX 300 D alongwith all attachments, auxiliary equipments	0330015848	April 23, 2007	388,776.75	April 22, 2015	-	388,776.75	2,133,412.43.00

Sr. No.	Unit	License No.	License Date	Export Obligation (FOB) (Amount in US$)	Due Date of Obligation	Export Obligation Fulfilled (Amount in US$)	Balance Export Obligation (Amount in Rupees)	Duty Saved Value (Rs. in Lakhs)
	and accessories							
8.	Spares for MDF plant, particle board, melamine press line, impregnation line, HPL press line & flooring line	0330015849	April 23, 2007	2,342,418.66	April 22, 2015	-	2,342,418.66	12,854,022.42
9.	Vaccum Press alongwith all attachments, auxiliary equipments and accessories	0330017941	October 29, 2007	259,868. 27	October 8, 2015	-	259,868. 27	1,300,965.53
10.	CNC Machine, Edge banding machine for furniture plant & Semi Automatic Short Cycle Overlaying Hot Press in CKD/SKD condition along with all attachments, auxiliary equipments, accessories and spares	0330019037	February 12, 2008	2,511,730.14	February 11, 2016	-	2,511,730.14	12,464,460.83
11.	ARM- Radial two-step impregnation dryer alongwith all attachments, auxiliary equipments, accessories and spares	0330021915	December 01, 2008	17,969,834.00	November 30, 2016	-	17,969,834.00	2,246,229.25
12.	High Press decorative lamination press 8x4, alongwith all attachments, auxiliary equipments, structures, drawings, engineering and manuals, Paper impregnating line for HPL, Drying zone	0330022498	February 20, 2009	2,208,153. 31	February 19, 2017	-	2,208,153. 31	5,199,757.57 (8,736,211. 55)

Sr. No.	Unit	License No.	License Date	Export Obligation (FOB) (Amount in US$)	Due Date of Obligation	Export Obligation Fulfilled (Amount in US$)	Balance Export Obligation (Amount in Rupees)	Duty Saved Value (Rs. in Lakhs)
	for paper impregnating line for HPL							
13.	Hardened stainless steel press plates, spares for MDF plant, particle board, melamine press line, impregnation line, HPL press line, flooring line and furniture plant	0330022616	March 17, 2009	6,303,611. 99	March 16, 2017	-	6,303,611. 99	38,767,213.80
14.	Chemicals & Paper	0310106348	November 02, 2006	900,000.00	November 01, 2009	-	900,000.00	3,659,234.35
15.	Chemicals & Paper	0310411353	December 08, 2006	900,000.00	December 07, 2009	-	900,000.00	1,028,530.31
16.	Chemicals & Paper	0310411843	December 12, 2006	900,000.00	December 11, 2009	-	900,000.00	264,371.93
17.	Chemicals & Paper	0310466070	March 25, 2008	836,580. 55	March 24, 2011	1,476,963.70	(640,383.15)	14,584,691.03
18.	Chemicals & Paper	0310465435	March 18, 2008	638,654.17	March 17, 2011	680,815.27	(42,161.10)	7,189,418.14
19.	Chemicals & Paper	0310495487	November 25, 2008	836,580.55	November 24, 2011	743,489.74	93,090.81	2,103,613.63
20.	Chemicals & Paper	0310495688	November 26, 2008	822,018.41	November 25, 2011	160,447.26	661,571.15	1,291,131.01
21.	Chemicals & Paper	0310496610	December 05, 2008	5,019,483.30	December 04, 2011	-	5,019,483.30	5,578,298.17
22.	Chemicals & Paper	0310496615	December 05, 2008	5,019,483.30	December 04, 2011	-	5,019,483.30	-

COMPETITION

In connection with plain particle boards and MDF boards we faced competition from imports and Indian manufacturers who belong both to the organized and unorganized segment of the wood based panel products industry. We also face competition from alternative wood based panel products such as plywood and block boards.

In relation to prelaminated particle boards and MDF boards we face competition from domestic wood based panel manufacturing companies which have integrated plants with capacity to manufacture plain and pre-laminated boards and standalone producers having facilities of prelamination only, such producers import palm boards or purchase palm boards from integrated producers.

In relation to decorative laminates our Company faces competition from the organized and unorganized segment of the wood based panel products industry, and in connection with door-skins, furniture and other allied products we face competition primarily from imports from overseas manufacturers of such allied products and other manufacturers in the organized and unorganized sector.

INSURANCE

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to operations and revenues. Our operations are subject to hazards inherent to manufacturing units, such as risks relating to work accidents, fire, earthquake, burglary and marine transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment. Our Company has obtained standard fire and special peril policy, industrial all risk policy, inland transit policy, open import policy, floater policy, burglary float policy, traditional business- miscellaneous policy for risks related to property and private car package policy for insurance of vehicle.

PROPERTY

We own certain properties for corporate operations and project development activities. The brief details of the properties owned/ leave and licensed by us for our corporate purposes are set out below:

Owned Property:

Our Company holds the following properties on an ownership basis:

Sr. No.	Location and description
1.	Gala No.226, 2nd Floor, Mhatre Pen Building, A-Wing, Senapati Bapat Marg, Dadar (W), Mumbai-400028.
2.	Survey No. 1066/1B, 1066/3, 1065/3B, 1080/3, 1064/2C, 1065/1, 1066/2, 1065/3A1A, 1065/3A2, 1064/2B, 1065/2 situated at Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
3.	Survey No. 1064/2A, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
4.	Survey No. 1063/2 & 1063/3, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
5.	Survey No. 1066/1A, 1065/3A1A, 1065/3A2, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
6.	Survey No. 1063/1, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
7.	Survey No. 1064/2A, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
8.	Survey No. 1067/1A1, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
9.	Survey No. 1064/1B, Elavoor Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu.
10.	Survey No. 612/2B2 in No. 51, Elavur Village, Gumudipoondi Taluka, Thiruvallur District
11.	Land at Greater Noida, admeasuring approximately 2000 sq. meters

Leave & license and leased properties:

Our Company holds the following properties on a lease/leave and license basis:

Sr. No.	Location	Tenure	
		From	To
1.	18, Prime Centre, 2nd Floor, S. V. Road, Santacruz (West), Mumbai-400 054.	January 1, 2006	December 31, 2010
2.	Property No. 2/88-1, 2nd Floor, W.H.S. Kirti Nagar, New Delhi-110015	December 1, 2008	November 30, 2011
3.	Shop No.2, Plot No. A/68, Kharvel Nagar, P. S. Kharvel Nagar. Dist.-Khurda.	February 4, 2010	January 4, 2011
4.	Shop No. 5-5-1044, Flat No. 104, Ground Floor, Raj Towers, Goshamahal, Kattalmandi, Hyderabad- 12.	May 1, 2007	April 30, 2010
5.	Office No.442, Vikram Tower, 3rd Floor, IDA Scheme No.47, Sapana Sangeeta Main Road, Indore.	October 1, 2009	August 31, 2010

Sr. No.	Location	Tenure	
		From	To
6.	Office No.D-4, Gee Gee Crescent, 114, Poonamallee High Street, Chennai-600084.	January 1, 2010	November 30, 2010
7.	G-31, Ground Floor, City Centre, S. C. Road, Jaipur.	March 1, 2010	February 28, 2013
8.	Office Cabin No.205, 2nd Floor, KLM Chambers, SCO 7, Sector 7C, Madhya Marg, Chandigarh.	December 1, 2009	October 31, 2010
9.	Flat No.004, Ground Floor, Plot No.55, LIC Colony, NMC Ward No.75 (Old), 109 (New), Khamla Road, Nagpur.	August 1, 2009	June 30, 2010
10.	93, 1st Floor, Mosque Road, Fraser Town, Bangalore- 560005.	December 1, 2009	October 31, 2010
11.	Bhoir Complex, Gala No.A-3, Anjur Phata Road, Bhiwandi, Dist- Thane.	May 1, 2008	April 30, 2011
12.	Bhoir Complex, Gala No.A-5, Anjur Phata Road, Bhiwandi, Dist- Thane.	May 1, 2008	April 30, 2011
13.	Godown No.101, 1st Floor, Building No. E/2, Mouje - Dapode, Tal.Bhiwandi, Dist. Thane.	September 1, 2009	August 31, 2014
14.	Godown No.102, 1st Floor, Building No. E/2, Mouje - Dapode, Tal.Bhiwandi, Dist. Thane.	September 1, 2009	August 31, 2014
15.	Godown No.103, 104 & 105, 1st Floor, Building No. E/2, Mouje - Dapode, Tal.Bhiwandi, Dist. Thane.	September 1, 2009	August 31, 2014
16.	Plot No.1, Sector No.9, IIE Pantnagar, U. S. Nagar, Uttarakhand	September 15, 2005	September 14, 2014
17.	Gala No.230, 2nd Floor, Mhatre Pen Building, A-Wing, Senapati Bapat Marg, Dadar (W), Mumbai-400028.	April 01, 2008	March 31, 2013
18.	Gala No.231, 2nd Floor, Mhatre Pen Building, A-Wing, Senapati Bapat Marg, Dadar (W), Mumbai-400028.	April 01, 2008	March 31, 2013
19.	Gala No.232, 2nd Floor, Mhatre Pen Building, A-Wing, Senapati Bapat Marg, Dadar (W), Mumbai-400028.	April 01, 2008	March 31, 2013
20.	326, Matrusmruti, 4th Floor, Linking Road, Khar (W), Mumbai-400052.	April 01, 2008	March 31, 2013

Sr. No.	Location	Tenure	
		From	To
21.	326, Matrusmruti, 2nd Floor, Linking Road, Khar (W), Mumbai-400052.	April 01, 2008	March 31, 2013
22.	SF No. 170/2, Annur-Mettupalayam Road, Pogular Post, Annur- 641697.	September 01, 2009	August 31, 2019

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the government that are applicable to us. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Press Notes issued by the Government of India

As detailed in the Government of India Press Note No.11 (1997 series) dated July 17, 1997, plywood, veneer of all types and other wood based products such as particle board, medium density fibreboard/ block board have been delicensed subject to locational conditions and relevant statutes/statutory/policy notifications such as the National Forest Policy and directions and decisions of the Hon'ble Supreme Court in the Writ Petition (Civil) Nos. 202/95 & 171/96 (Order).

Vide Press Note No. 9 (1998 Series), the Government of India notified that the entrepreneurs who want to obtain approval from the Government for setting up any wood based project should obtain prior clearance from the Ministry of Environment and Forests before submitting the application to the Administrative Ministry/SIA and enclose a copy of "in principle" approval given by the Ministry of Environment and Forests.

We have been granted the requisite permissions from the state forest authorities with the prior permission from the Central Empowerment Committee.

The manufacturing activities of our Company however are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. On wood based industries, the Honourable Supreme Court of India has given specific directives from time to time which would be applicable to our Company. Laws relating to excise, customs, sales-tax, factory and labour related matters etc. are applicable to our Company, as well.

We have obtained State Level Single Window Clearance to establish unit for manufacture of plain particle board and MDF board for our manufacturing unit at Rudrapur, Uttarakhand.

Setting up of the Central Empowered Committee by the Honourable Supreme Court:

The Central Empowered Committee ("**CEC**") has been constituted by the Hon'ble Supreme Court by its order dated May 9, 2002 in the Writ Petition (Civil) Nos. 202/95 & 171/96 (Order). The CEC *inter alia* assesses the sustainable capacity of the forests of the State in relation to sawmills and the timber based industry; the number of sawmills that can safely be sustained in the States and the optimum distance in relation to the State at which the sawmill is to be located. CEC has granted permission to our Company for the establishment of wood-based industries in the State of Uttarakhand. The permission so granted is valid for the production of plywood, particle board, blockboards and flush doors. The *ratio decidendi* of the Order dated October 29, 2002 reads as under:

"No State or Union Territory shall permit any unlicensed saw-mills, veneer, plywood industry to operate and they are directed to close all such unlicensed unit forthwith. No State Government or Union Territory will permit the opening of any saw-mills, veneer or plywood industry without prior permission of the Central Empowered Committee. The Chief Secretary of each State will ensure strict compliance of this direction. There shall also be no relaxation of rules with regard to the grant of license without previous concurrence of the CEC."

Environmental Legislations

Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc.

The purpose of the Act is to act as an "umbrella" legislation designed to provide a framework for Government co-ordination of the activities of various central and State authorities established under previous laws, such as the Water Act and the Air Act.

Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the relevant State.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking), (ii) Outlet, (iii) Pollution and (iv) Trade effluents. The Water Act requires that approvals be obtained from the corresponding State's Pollution Control Boards.

Water (Prevention and Control of Pollution) Cess Act, 1977 ("The Water Cess Act")

The Water Cess Act is a legislation providing for the levy and collection of a cess on local authorities and industries based on the consumption of water by such local authorities and industries so as to enable implementation of the Water Act by the regulatory agencies concerned.

Hazardous Waste (Management & Handling) Rules, 1989

These rules seek to keep a check on the disposal of hazardous wastes. The occupier generating hazardous wastes has to make an application to the State Pollution Control Board for obtaining authorisation for storing, collecting, treating and disposing of hazardous wastes. Accidents occurring at the facility have to be reported in the prescribed form to the State Pollution Control Board.

Industrial Legislations

Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 has been liberalised under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("**IEM**") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Approvals from Local Authorities

Setting up of a factory or a manufacturing or housing unit entails that the requisite planning approvals are obtained from the relevant Local Panchayat(s) outside the city limits and the appropriate Metropolitan Development Authority within the city limits. Consents from the State Pollution Control Board(s), the relevant State Electricity Board(s) and the State Excise Authorities (Sales Tax) are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Labour Legislation

The Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") defines a factory to cover any premises which employs ten or more workers and in which the manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers even though there is no electricity aided manufacturing process being carried on.

The Factories Act provides that an occupier of a factory is the person who has ultimate control over the affairs of the factory. In case of a company, any of the directors must ensure the health, safety, welfare, working hours, leave and other benefits for workers employed in factories. The Factories Act was enacted primarily with the object of protecting workers from industrial and occupational hazards. Under this statute, an approval must be granted prior to the setting up of the factory and a license must be granted after setup is complete, by the Chief Inspector of Factories. In case of contravention of any provision of the Factories Act or rules framed thereunder, the occupier and the manager of a factory may be punished with imprisonment or with fine or both.

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 was enacted to make provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the worker, and inter-alia deals with reference of disputes relating to workmen to Labour Courts and Industrial Tribunals, provisions in connection with prohibition of strikes and lock-outs, declaration of strikes and lock-outs as illegal, and provisions relating to lay-off and retrenchment and closure.

Workmen's Compensation Act, 1923

The Workmen's Compensation Act, 1923 provides for payment of compensation to workmen and their dependants in case of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death. The Act applies to railway servants and persons employed in any such capacity as is specified in Schedule II of the Act. The schedule II includes persons employed in factories, mines, plantations, mechanically propelled vehicles, construction works and certain other hazardous occupations.

The amount of compensation to be paid depends on the nature of the injury and the average monthly wages and age of workmen. The minimum and maximum rates of compensation payable for death (in such cases it is paid to the dependents of workmen) and for disability have been fixed and is subject to revision from time to time.

Shops and Commercial Establishment Laws

Under various State laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and also has to comply with certain rules laid down in the act governing that particular State. These rules and regulations regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages and maintenance of records and registers by the employers, among others.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 applies to those establishments where 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labourers; and to every contractor or sub-contractor who employs or who employed 20 or more workmen on any day of the preceding 12 months, provided they were not employed in certain "core" activities.

This legislation seeks to regulate the working conditions of contract labourers and to abolish it in certain cases. This law provides that any employer seeking to employ contract labourers must register his establishment with the appropriate authority of the particular State.

The Employee's State Insurance Act, 1948

The Employee's State Insurance Act, 1948 is applicable to all factories and other businesses as the Government may determine, unless a specific exemption has been granted. The employers in such factories and businesses are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Government. Companies which are controlled by the Government are exempt from this requirement if the employees are receiving benefits which are similar or superior to the benefits prescribed under the Employee's State Insurance Act, 1948.

Employee's Provident Funds and Miscellaneous Provisions Act, 1952

Under the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, compulsory provident fund, family pension fund and deposit linked insurance is payable to employees in factories and other establishments for their benefit. The legislation provides that an establishment employing more than 20 persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund, as provided in such statute.

Payment of Bonus Act, 1965

An employee in a factory who has worked for at least 30 days in a year is eligible to be paid bonus in accordance with the provisions of such law. Contravention of the law is punishable by imprisonment up to six months or a fine up to Rs.1,000 or both.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, an employee, who after having completed at least five continuous years of service in an establishment resigns, retires, or is disabled due to accident or disease, is eligible to receive gratuity in accordance with the provisions of the law. To meet this liability, employers of all businesses to which the legislation applies are required to contribute towards gratuity.

Payment of Wages Act, 1936 ("Wages Act")

The Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs.1,600. The Wages Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of the Wages Act and the Rules made thereunder.

The Minimum Wages Act, 1948 ("Minimum Wages Act")

The Minimum Wages Act was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

Employment (Standing Orders) Act, 1950

The Industrial Employment (Standing Orders) Act requires employers in industrial establishments to formally define conditions of employment under them. It applies to every industrial establishment wherein 100 (reduced to 50 by the Government in respect of the establishments for which it is the appropriate Government) or more workmen are employed. The Employment (Standing Orders) Act calls for the submission of such conditions of work to the relevant authorities for their approval.

The Maternity Benefit Act, 1961 ("Maternity Act")

The purpose of Maternity Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides for payment of maternity benefits and medical bonus, and prohibits the dismissal of and the reduction of wages paid to pregnant women.

Standards of Weights and Measures Act, 1976

The aforementioned legislation deals with the establishment of prescribed standards for the weights and measure and provides to prescribe specification of measuring instruments used in commercial transaction, industrial production an measurement involved in public health and human safety. It also inter alia deals with regulation of inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures, regulation of pre-packed commodities sold or intended to be sold in the course of inter-state and commerce, approval (before manufacture) of models of weights and measuring instrument intended to be manufactured, control and regulation of export and import of weights and measures and commodities in packaged form, and the establishment of an Indian Institute of Legal Metrology to provide training in legal metrology to inspectors and others.

Fiscal Legislations

Central Excise

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, and it provides for the levy and collection of excise and prescribes procedures for clearances from factory once the goods have been manufactured.

Value Added Tax ("VAT")

VAT is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of 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.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Excise Tax Officer of the respective State.

Sales Tax

The tax on sale of moveable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant State law depending upon the movement of goods pursuant to the relevant sale. If the goods move interstate pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods which does not contemplate movement of goods outside the State where the sale is taking place is determined as per the local sales tax/VAT legislation in place within such State.

Income Tax ("IT Act")

The IT Act is the law relating to taxes on income in India. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

In accordance with the IT Act, any income earned by way of profits by a company incorporated in India is subject to tax levied on it in accordance with the rates as declared as part of the annual Finance Bill. Companies can also avail certain benefits under the IT Act, if eligible.

Foreign Trade Regulations

Foreign Trade (Development and Regulation) Act, 1992

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation, read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer-exporter code number unless such person or company is specifically exempt. An application for an importer-exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

Foreign Investment Legislation

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment (FDI) under the ―automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

The wood based industrial products sector is not included under Annexure A of the FEMA Regulations ("**Annexure A**") and for such sectors, which are not included in Annexure A, 100% FDI under the automatic route is allowed by the RBI.

HISTORY AND CORPORATE STRUCTURE

Incorporation, Name Change and Change in Registered Office:

Our Company was originally incorporated as Shirdi International Engineers Private Limited on December 15, 1993. The name of our Company was changed to Shirdi Industries Private Limited on May 9, 1997 and a fresh certificate of incorporation upon change of name was issued by the Registrar of Companies, Maharashtra on May 9, 1997. Our Company was then converted into a Public Limited Company and its name was changed to Shirdi Industries Limited vide a certificate of change of name dated June 12, 1997. The registered office of our Company changed from 602, Vandana Apartments, Malvani, Marve Road, Malad (West), Mumbai – 400 095 to “A” Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (West), Mumbai – 400028 with effect from June 13, 1997 for operational purposes.

History

Immediately after incorporation our Company was engaged in the business of providing consultancy services in connection with indirect tax, export and import related matters. Subsequently in the year 1994, we ventured into the business of trading including the business of trading of transferable export incentives by offering forward sell options to exporters and purchase options to the importers at deferred payment basis. Further in the year 1995-96 our Company started trading and import activities in Timber and Steel products.

Between 1995 and 2002 our Company gained experience in trading of various items required by furniture industry. In 2004, our Company started selling the product under ASIS Brand. Our Company also started importing several other products i.e. Prelaminated Boards, Veneer, Particle Board, PVC and HDF Door Skins used in furniture industry for offering integrated solution to the customers.

In the year 2002, our Company ventured into manufacturing of wood based panel products. Pursuant to an arrangement with Jyoti Panels Private Limited located at MIDC, Mhape, Navi Mumbai, a company engaged in the manufacture of doors and door-skins. In October, 2003, our Company acquired operating plant and machinery and stock of raw material and finished goods from Jyoti Panels Private Limited and additionaly invested in plant and machinery for production of Panel Doors and Furniture Components at Navi Mumbai. In December, 2006, our Company ceased its operations at Navi Mumbai and the plant and machinery was sold to M/s S N Sales Corporation, a partnership firm in which our Company was a partner. Subsequently, our Company retired as a partner from the aforesaid partnership firm and the plant and machinery sold to M/s. S N Sales Corporation was repurchased by us for the purposes of our Pantnagar unit and our Coimbatore unit. We commenced manufacturing operations from our Pantnagar unit in February 2007. We currently manufacture plain particle board, plain MDF Board, Pre-laminated Particle Board, pre-laminated MDF Board, high pressure laminates, doors and door skins, furniture, furniture components, and flooring at our manufacturing facilities at Pantnagar, Uttarakhand.

All these products of our Company enjoy reputation in the market and the present customers include builders in Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu. Our Company has set up a plant for the manufacture of Plain Particle Board, Plain MDF Board, Pre-laminated particle Board, Pre-laminated MDF Board, Doors and Door Skins, Furniture, Components, High Pressure laminates, Flooring, etc at Pantnagar , Uttarakhand on February, 2007.

Pursuant to a partnership deed dated September 1, 2007 dated March 31, 2008, our Company entered into a partnership with Indo-British Engineering Co. Private Limited and Mrs. Ranjana Goel with an object of carrying out the business of sales, purchase and manufacture of wood based products and such other businesses as the partners would decide from time to time, under the name and style of M/s. S N Sales Corporation. Subsequently pursuant to a fresh deed of partnership dated March 31, 2008, one of our Promoters Mr. Sarvesh Agarwal was inducted as a partner to the aforesaid partnership firm. Thereafter, pursuant to a deed of retirement dated August 17, 2009, our Company and Mr. Sarvesh Agarwal retired as partners of the aforesaid firm with effect from April 30, 2009 due to commercial reasons.

In the year 2008-09 our Company executed an agreement for exclusive distribution for the supply of PVC wrapped profiles, membrane pressed panels with M/s AGT Furniture Components, Turkey and for the marketing and distribution of PVC edge bends with M/s. Probos- PLasticos SA, Portugal.

In the year 2008-09 our Company implemented the second phase of its expansion and diversification programme at its manufacturing facilities in Uttarakhand.

In 2009, our Company commissioned and commenced production at our facility at Coimbatore for manufacturing of designer doors, panel doors, lamination of particle boards and MDF boards. Our Company took over some plant and machinery related to Particle board, Pre-lamination, impregnation, ceiling tiles and utility from Rampur plant of Kitply Limited for manufacturing facility at Coimbatore, expansion of laminates at Pantnagar, Uttarakhand.

Our Company pursuant to a shareholders agreement dated March 6, 2005 and supplementary agreement dated September 16, 2005 with M/s Klinkert Limited issued and allotted 1,742,000 Equity Shares and 392,000 Equity Shares on September 16, 2005 and December 15, 2005 respectively, at a premium of Rs. 43.84 for consideration for supply of plant and machinery. However, M/s. Klinkert Limited were unable to deliver the complete consignment of the equipment purchased by our Company within the prescribed time and further the machineries supplied by them were not in conformity with the agreed specifications. M/s. Klinkert Limited and our Company decided to mutually settle the dispute that arose in light of he aforesaid facts and accordingly, pursuant to a Memorandum for settlement of claim for damages dated March 27, 2007 between M/s Klinkert Limited and our Company, M/s Klinkert Limited transferred 2,134,000 equity shares in favour of Asis Industries Private Limited for total consideration of Euro 100/-. Pursuant to a resolution dated February 23, 2008 passed by the board of directors of our Company, our Company has bought back 2,134,000 equity shares aggregating to Rs. 213,400 from Asis Industries Private Limited with effect from March 30, 2008.

Our Company currently proposes to implement expansions at our manufacturing facilities at Pantnagar, Uttarakhand, and also establish a new manufacturing facility at Gummidipoondi near Chennai, Tamil Nadu.

As of the date of filing of the Draft Red Herring Prospectus the total number of holders of the Equity Shares is 15.

Our Main Objects

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

1. To import, export, own, establish, engineer, design, develop, assemble, dissemble, process, repair, modify, recondition, renovate, buy, sell and lease of mechanical, electronics engineering, optical, machineries, instruments, appliances, equipments, devices and accessories.

2. To carry on the business to design, develop, encourage, promote, maintain, make, undertake contracts, undertake research and development, provide consultancy and solutions for value, lease, license, process, purchase, sell, import, export, supply, manufacture, make, produce, run, transfer, train, teach, trade in, deal in, or act as agents, authorised representatives, advisors, brokers, consultants, distributors, stockists, research groups, or to engage in any way, whether singly or jointly in collaboration, in association, or in tie up with other entities, in all kinds of software developments like software products, software systems, and in particular in designing and developing of software for media, entertainment, animation, movies, animation programmes and telecasting, satellite channels, communication, internet, intranet, networking, world wide web, Internet or web parts online exchanges for e-commerce, or other kind of nets any signs, locations, web page designing, developing of various types, means and modes of advertising, communication, forms, transmitting data, information technology, publicity, representations, views, ideas, opinions, programs, and software for on line applications, interactive responses and like and to do all such activities also in respect of computers, communication and electronic hardware and software systems, data collection, data entry, data warehousing, data archival, data duplicating, data processing, data transcription, digitization of information available in various forms, processing or these data and selling parts or whole of the processed or raw data facilitating and providing solutions for e-commerce, e-business, e-banking, cyber technologies, running of training schools or other educational institutions, conducting training seminars, providing consultancy services in all the above areas as well as to do all the above activities in any of the areas of computer software, hardware, accessories, peripheral, modems, multiples and other tools systems and like and providing services in the areas of internet, intranet, internet gateways, video conferencing, telephony, communication, computer networking, cyber café, system integration including repairing, upgrading and maintenance of such systems.

3. To carry on the business of dealer, trader, importer, exporter of all and to deal in textiles items, yarns, fabrics, iron, steels, aluminium items, engineering goods, electronic items, machineries, chemicals, drugs, cosmetics, detergents, rubber, plastic items tyre tubes, computers, software, automobile accessories, agriculture products, grocery provisions, garments, papers, packing, materials, stones and minerals and licensing documents.

4. To carry on the business of manufacturer, dealer, trader, importer, exporter of particle boards, prelaminated particle boards, MDF, pre-laminated MDF, MDF Veneer Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative

Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Mameren Doors, Designer Door Skins, all types of Shutters, Wooden Frames & Carving Frames, Post Forming Laminates, Particle Board, Veneer, All types of Wood Furniture and Furniture Components, Hardwares, Fixtures & Fittings, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVC & Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading importing and exporting and selling and stocking and in any manner.

Key Milestones

Sr. No.	Year	Details
1.	1993-94	Our Company was incorporated on December 15, 1993
2.	1994-95	Our Company introduced a new concept in the business of trading of transferable export incentives by offering forward sell options to exporters and purchase options to the importers at deferred payment basis
3.	1995-96	Commencement of trading of various items required by the furniture industry.
4.	1995-96	Our Company was among first few companies in India who had started importing MDF Board in 1995.
5.	1997-98	Our Company was converted into a public Company and the name was changed to Shirdi Industries Limited vide a certificate of change of name dated June 12, 1997
6.	2003-04	In October, 2003, our Company acquired operating plant and machinery and stock of raw material and finished goods from Jyoti Panels Private Limited and additionaly invested in plant and machinery for production of Panel Doors and Furniture Components at Navi Mumbai.
7.	2007-08	Our Company has set up a plant for the manufacture of Plain Particle Board, Plain MDF Board, Pre-laminated particle Board, Pre-laminated MDF Board, Doors and Door Skins, Furniture, Components, High Pressure laminates, Flooring, etc at Pantnagar , Uttarakhand and commenced the production in the month of February, 2007.
8.	2007-08	Our Company acquired land at Gummidipoondi, near Chennai, Tamil Nadu, with a view of setting up a new manufacturing facility thereon
9.	2008-09	Our Company has implemented expansion and diversification programme at Uttarakhand.
10.	2008-09	Our Company received BB+/STABLE for fund based and P4 for LC rating from Crisil vide their letter dated December 10, 2008.
11.	2008-09	Our Company has taken over selected plant and machinery related to Particle board, Pre-lamination, impregnation, ceiling tiles and utility from Rampur plant of Kitply Limited. The machinery shall be used in implementing the expansion plans proposed for FY 2009-10
12.	2008-09	Our Company has signed agreement as exclusive distributor with M/s AGT Furniture Components, Turkey and M/s. Probos- PLasticos SA, Portugal for the supply of PVC Wrapped Profiles, Membrane Pressed Panels and PVC Edge Bends.
13.	2009-10	Our Company commenced operations at its manufacturing facilities located at Coimbatore, Tamil Nadu on October 5, 2009 and expansion of capacity laminates.

Awards/ certifications received by our Company

Our Company has received the following awards/ certifications:

ISO 9001-2008 certification for manufacture and supply of all the products manufactured in the plant located at Uttarakhand by TUV-NORD vide certificate dated February 12, 2009

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our memorandum of association:

Date	Particulars
May 9, 1997	Change of Name from Shirdi International Engineers Private Limited to Shirdi Industries Private Limited
June 12, 1997	Change of Name from Shirdi Industries Private Limited to Shirdi Industries Limited
June 13, 1997	Change in Registered Office of our Company from 602, Vandana Apartments, Malvani, Marve Road, Malad (West), Mumbai – 400 095 to "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (West), Mumbai – 400028
July 14, 1997	Alteration of the objects to include the following clause: "To carry o the business of manufacturer, dealer, trader, importer, exporter of all and to deal in textiles items, yarns, fabrics, iron, steels, aluminium item, engineering goods, electronic items, machineries, chemicals, drugs, cosmetics, detergents, rubber, plastic items, tyre tubes, computers, software, automobile accessories, agricultural products, grocery, provisions, garments, papers, packing materials stones and minerals and licensing documents."
February 3, 1998	Increase in authorized capital from Rs 50,00,000 divided into 5,00,000 equity shares of Rs 10 each to Rs 3,50,00,000 divided into 35,00,000 equity shares of Rs 10
September 14, 2000	Insertion of clause 4 in clause IIIA of the objects of our Company which reads as follows: "To carry on the business to design, develop, encourage, promote, maintain, make, undertake contracts, undertake research and development, provide consultancy and solutions for value, lease, license, process, purchase, sell, import, export, supply, manufacture, make, produce, run, transfer, train, teach, trade in, deal in, or act as agents, authorised representatives, advisors, brokers, consultants, distributors, stockists, research groups, or to engage in any way, whether singly or jointly in collaboration, in association, or in tie up with other entities, in all kinds of software developments like software products, software systems, and in particular in designing and developing of software for media, entertainment, animation, movies, animation programmes and telecasting, satellite channels, communication, internet, intranet, networking, world wide web, Internet or web parts online exchanges for e-commerce, or other kind of nets any signs, locations, web page designing, developing of various types, means and modes of advertising, communication, forms, transmitting data, information technology, publicity, representations, views, ideas, opinions, programs, and software for on line applications, interactive responses and like and to do all such activities also in respect of computers, communication and electronic hardware and software systems, data collection, data entry, data warehousing, data archival, data duplicating, data processing, data transcription, digitization of information available in various forms, processing or these data and selling parts or whole of the processed or raw data facilitating and providing solutions for e-commerce, e-business, e-banking, cyber technologies, running of training schools or other educational institutions, conducting training seminars, providing consultancy services in all the above areas as well as to do all the above activities in any of the areas of computer software, hardware, accessories, peripheral, modems, multiples and other tools systems and like and providing services in the areas of internet, intranet, internet gateways, video conferencing, telephony, communication, computer networking, cyber café, system integration including repairing, upgrading and maintenance of such systems."
December 5, 2001	Increase in authorized capital from Rs 3,50,00,000 divided into 35,00,000 equity shares of Rs 10 each to Rs 10,00,00,000 divided into 1,00,00,000 equity shares of Rs 10 each.
December 5, 2002	Insertion of clause 4 in clause IIIA of the objects of our Company which reads as follows: "To carry on the business of manufacturer, dealer, trader, importer, exporter of particle boards, prelaminated particle boards, MDF, pre-laminated MDF, MDF Veneer Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Mameren Doors, Designer Door Skins, all types of Shutters, Wooden Frames & Carving Frames, Post Forming Laminates,

Date	Particulars
	Particle Board, Veneer, All types of Wood Furniture and Furniture Components, Hardwares, Fixtures & Fittings, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVC & Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading importing and exporting and selling and stocking and in any manner."
March 22, 2004	Increase in authorized capital from Rs 10,00,00,000 divided into 1,00,00,000 equity shares of Rs 10 each to Rs 15,00,00,000 divided into 1,50,00,000 equity shares of Rs 10 each.
August 31, 2004	Increase in authorized capital from Rs 15,00,00,000 divided into 1,50,00,000 equity shares of Rs 10 each to Rs 21,00,00,000 divided into 2,10,00,000 equity shares of Rs 10 each.
October 31, 2005	Increase in authorized capital from Rs 21,00,00,000 divided into 2,10,00,000 equity shares of Rs 10 each to Rs 30,00,00,000 divided into 3,00,00,000 equity shares of Rs 10 each.

Promoters and Subsidiaries

For details regarding our Promoters, please see "Our Promoters and Group Companies" on page 123 of the Draft Red Herring Prospectus. Our Company does not have any subsidiary.

Other Agreements:
There are no subsisting shareholders' agreements in connection with our Company that either our Company is a party to or otherwise aware of.

Shareholders Agreements
There are no subsisting shareholders' agreements in connection with our Company that either our Company is a party to or otherwise aware of.

Collaborations
Our Company has not entered into any collaboration with any third party as per Clause (VIII) (B) (1)(c) of Part A, Schedule VIII of the ICDR Regulations.

Strategic Partners
Our Company has not entered into any arrangements with any strategic partners as per Clause (VIII) (D)(6) of Part A, Schedule VIII of the ICDR Regulations.

Financial Partners
Apart from our various arrangements with our lenders and bankers, which we undertake in the ordinary course of our business, our Company does not have any other financial partners as per Clause (VIII) (D) (7) of Part A, Schedule VIII of the ICDR Regulations

OUR MANAGEMENT

Board of Directors

The Articles of Association of our Company require that the number of Directors shall not be less than 3 (three) and shall not be more than 12 (twelve).

The following table set forth details regarding our Board of Directors as on the date of the Draft Red Herring Prospectus:

Name, Father's Name, Address and Occupation	Age (in years)	Status of Director in our Company	Other Directorships
Mr. Rakesh Kumar Agarwal S/o Mr. Hariram Agarwal Plot No 326, Matrusmruti, 3rd Floor, New Linking Road, Khar (West) , Mumbai 400052 Business DIN 00244328	46	Managing Director Executive Director	• Labh Capital Services Private Limited • Asis Logistics Limited • Asis Global Limited • Repute Properties Private Limited • Swanbay Technologies Private Limited • Asis Industries Private Limited • Pradeep Metals Limited
Mr. Sarvesh Agarwal S/o Mr. Hariram Agarwal Plot No 326, Matrusmruti ,2nd Floor, New Linking Road, Khar (West), Mumbai 400052 Business DIN 00244881	33	Executive Director Whole Time Director	• Asis Overseas (C& F) Private Limited • Asis Global Limited • Asis Logistics Limited • Rachana Finance and Investment Private Limited • Dytel Finance and Investment Private Limited • Asis Industries Private Limited
Mr. Hariram Agarwal S/o Mr. Budhram Agarwal Plot No 326, Matrusmruti, 2nd Floor, New Linking Road, Khar (west), Mumbai 400052 Business DIN 00245032	72	Non Executive Director	• Dytel Finance and Investment Private Limited • Pratibha Finance and Investment Private Limited • Asis Industries Private Limited

Name, Father's Name, Address and Occupation	Age (in years)	Status of Director in our Company	Other Directorships
Mr. Mukesh Bansal S/o Mr. Hariram Agarwal Plot No 326, Matrusmruti, 4th Floor, New Linking Road, Khar (west), Mumbai 400052 Business DIN 00244474	48	Non Executive Director	• Labh Capital Services Private Limited • Asis Overseas (C& F) Limited • Manhar Properties Private Limited • Swanbay Technologies Private Limited • Asis Industries Private Limited • Asis Logistics Limited
Mr. Bankuru Venkateswara Rao S/o Late Mr. Bankuru Jagannadha Rao HIG 128, I Floor Bharat Nagaro Colony Hyderabad 500018 Professional DIN 02859677	50	Executive Director Wholetime Director	NIL
Mr. Piyush Goyal S/o Late Mr. Ved Prakash Goyal 28, Sonmarg, 14th Floor, Opposite Petit hall , Napean Sea Road, Mumbai 400006 Business DIN-00024431	45	Chairman, Non Executive Director	• Flashnet Info Solutions (India) Limited • Intercon Advisors Private Limited • S V Shah Construction Services Private Limited • Ontario Trading Private Limited • Orascom Properties Private Limited • Cosmos Realcon Private Limited • Flash Agro farms Private Limited • Sajal Finance and Investments Private Limited
Mr. Anand Kumar Jain S/o Late Mr. Manohar Lal Jain C-51, Vivek Vihar, Delhi 110095 Business DIN 00056184	65	Independent Director	• Arihant Optics Limited • Transvalves India Private Limited • Arihant LPG Private Limited • Gaurav Fincap Private Limited

Name, Father's Name, Address and Occupation	Age (in years)	Status of Director in our Company	Other Directorships
Mr. Ravish Chand Jain S/o Late Mr. Manohar Lal Jain C-51, Vivek Vihar, Delhi 110095 Business DIN 00056227	55	Non Executive Director	• Rishabh Fincap (Private) Limited • Arihant Technomac Limited • U.P.Telelinks Limited • Trans Valves (INDIA) Private Limited • Arihant LPG Private Limited • Arihant Optics Limited
Mr. Sujay Kantawala S/o Mr. Nitin Kantawala 74, Dariya Mahal- II-480 Napeansea Road Mumbai- 400004 Business DIN 00271102	44	Independent Director	• Flawless Diamonds Limited
Mr. Jasbir Singh Bhullar S/o Mr. Chanchal Singh Bhullar 703, Vandana Apartment, Jan Kalyan Nagar, Malvani Mumbai 400098 Business DIN 00271251	57	Independent Director	• Anil Cloth Mills Private Limited
Mr. Mahabir Prasad Agrawall S/o Late Mr. K L Agrawall Bungalow No. 26, Palm County, Hussain Shahwali Dargah Village, Golkonda Post, Hyderabad-500008 Business	56	Independent Director	• Ambience Properties Limited • Kaveri Projects Limited • Sonar Shelters Limited • Ambience Resorts and Motels Private Limited • Theme Ambience Resorts & Hotels Private Limited • Fortune Constructions Private Limited • Vasundhara Constructions Private Limited • Shubham Telecom Private Limited • A R Pharmacare Private Limited

Name, Father's Name, Address and Occupation	Age (in years)	Status of Director in our Company	Other Directorships
DIN 00040364			• Platinum Properties Private Limited • Radiant Developers Private Limited • Koncept Nirmaan Private Limited • Universal Realtors Private Limited • Gandeva Properties Private Limited • Reliance Trading Enterprises Limited • Global Shelters Private Limited • Tantia Constructions Limited • Celebrity Hospitality Private Limited • Swift Homes Private Limited • Celebrity Shelters Private Limited

Relationship of the Directors

None of our directors except (1) Mr. Hariram Agarwal who is father of Mr. Rakesh Kumar Agarwal, Mr. Sarvesh Agarwal and Mr. Mukesh Bansal, and (2) Mr. Anand Jain who is a brother of Mr. Ravish Jain, are related to each other.

Brief Profiles of the Directors

Mr. Rakesh Kumar Agarwal:

Mr. Rakesh Kumar Agarwal aged 46 years is the Managing Director of our Company. He is an engineer and obtained his B. E. degree in Mechanical Engineering in the year 1984 from the University of Gorakhpur. He served as a lecturer for two years at Regional Engineering College, Kurukshretra, Haryana and then worked for six months as an assistant director in Central Electricity Authority, Ministry of Power, Government of India, New Delhi. He later joined Directorate General of Technical Development ("**DGTD**"), Ministry of Industry, Government of India in the year 1987 where he gained experience in the field of export, import and industrial matters. During his tenure in DGTD, he was posted at Mumbai and he was responsible for promotion of investment and export and import substitution activities in Maharashtra, Gujarat, Goa and Union Territory of Daman. He was also responsible for guiding the investors and entrepreneurs in the matter related to emerging opportunities, licensing procedures and import and export procedures. He represented DGTD in various committees of Ministry of Commerce, Export Promotion Councils and Export Inspection Agencies for fixation of input output norms, encouraging import substitution, transfer of technology, up-gradation of technology, quality assurance and quality control systems and gained rich experience in operational matters. He resigned from DGTD in November 1992 and promoted ASIS Group. Under the leadership of Mr. Rakesh Kumar Agarwal a comprehensive data portal to provide data base driven information through search on export, import, customs, excise, investments and industrial law was launched in the name of eximkey.com in the year January, 2000. He also led the implementation of the project for manufacturing of plain and pre-laminated particle board, plain and prelaminated MDF board, decorative laminates, etc at Pantnagar, Uttarachal. He also led the implementation of the project for manufacturing facilities at Coimbatore.

Mr. Sarvesh Agarwal:

Mr. Sarvesh Agarwal aged 33 years is a Wholetime director of our Company. He is a commerce graduate. He joined ASIS Group and gained experience at an early age. He started activity of importing MDF board and particle board in the ASIS Group and independently handled the entire purchase, inventory management, sales and distribution of such products. He is responsible for entire marketing, brand promotion, sales, distribution and collection of all items manufactured by our Company. He leads multi-locational operations of our Company and is responsible for coordination between sales and production to meet the requirements of customers. He is responsible for procurement of critical material, including chemicals and paper in cost effective manner and is also responsible for all the business activities relating to PVC Edge Bends and Edge Profiles. Mr. Sarvesh Kumar Agarwal is responsible for identifying new products, need gaps and the manner in which such gaps can be filled in the most appropriate manner.

Mr. Hariram Agarwal:

Mr. Hariram Agarwal aged 72 years is a non executive director of our Company. He has provided his services to the State Government of Uttar Pradesh wherein he has served in different departments and after retiring from the service, he has been providing guidance to the directors of our Company. He also provides strong support to all the persons associated with Asis Group as vendors, customers, employees or stake holders of any other type.

Mr. Mukesh Bansal:

Mr. Mukesh Bansal aged 48 years is a non executive director of our Company. He is a commerce graduate. He started his own business as a cloth merchant. Later in 1992 he joined ASIS Group and provided services on export/import and investment matters. He was also responsible in representing clients before various authorities. In the period 1985 - 1993 he gained experience in dealing and liaisoning with various agencies and departments. Mr. Mukesh Bansal joined as a partner in an existing customs house agent's company in the name of M/s. Narvekar & Co to provide customs services as Customs House Agent. Later on the name of the Company was changed to M/s. Asis Overseas (C&F) Pvt. Ltd. with 100% ownership of Asis Group. Mr. Mukesh Bansal leads multi-locational logistics activities of Asis Group, comprising of customs clearing and forwarding, transportation, warehousing, advising and material handling activities. Under the leadership of Mr. Mukesh Bansal customs house agents activities of Asis Group were accorded ISO 9002 certificate. The customs house agent's activities were integrated with transport business through large fleet of owned vehicles and hired vehicles both. After transportation, the services were further integrated by adding material handling, deploying cranes and forklifts at port and customers end. All the activities of logistics under the leadership of Mr. Mukesh Bansal were certified under ISO system and monitored with the help of strong internal and external matters.

Mr. B.V. Rao:

Mr. B. V. Rao aged 50 years is an Executive and Whole time Director in our Company. He holds masters degree in science in applied organic chemistry. He has experience of more than 22 years in the activities related to manufacturing of particle board & plywood. Prior to joining our Company, he was a Vice President (Operations) of M/s. Bakelite Hylem Limited. He has also served at the senior positions of the other companies such as Ecoboard Industries Limited, Novopan Industries Limited and Kitply Industries Limited, which are into the same line of activities as of our Company.

Mr. Piyush Goyal:

Mr. Piyush Goyal aged 45 years is the Chairman and non executive director on the board of our Company. Mr. Piyush Goyal holds a bachelor's degree in law from the University of Mumbai and is a qualified chartered accountant. He was an executive director on the board of Pradeep Metals Limited, a company engaged in manufacture and export of closed die steel forgings and had looked after their finance, personnel and general administrative functions during the period 1987-2000. He was an independent director on the board of Bank of Baroda during the period 2001-2004 and a nominee director on behalf of Government of India on the board of State Bank of India during the period 2004-2008. He is a strategist and an investment banker and provides strategic, management and financial consultancy/advisory services to a repertoire of highly reputed corporate clientele in India through his financial advisory and consultancy companies Flashnet Info Solutions (India) Limited and Intercon Advisors Private Limited.

Mr. Anand Kumar Jain:

Mr. Anand Kumar Jain aged 65 years is an independent director on the board of our Company. He holds a bachelor's degree in science from Lucknow University and also obtained B.E. degree from the University of Roorkee. He is the founder director and current chairman & managing director of M/s Trans Valves (India) Private Limited. He is responsible in the policy making and overall direction to the organization including planning, execution and management of entire business finance and operations. He has a total of 37 years experience in the manufacturing and marketing of LPG Valves & Regulators, Optical Fiber, FRP Rods and Copper Wires & Cables. He is an active member of the National Committee on Standardization of LPG Valves.

Mr. Ravish Chand Jain:

Mr. Ravish Chand Jain aged 55 years is a non executive director on the board of our Company. He holds bachelor's degree in science from the Chaudhary Charan Singh University, Meerut. His vast experience in the field of manufacturing has helped our Company grow from strength to strength. Under his leadership, several new projects have been undertaken by our company. He is also a director on the board of U.P.telelinks Limited, Transvalves India Private Limited and Arihant Technomac Limited. These companies are involved in manufacturing of copper wire drawing & other ferrous and non ferrous metals, telecommunication cables, LPG gas valves and regulators, watch parts.

Mr. Sujay Kantawala:

Mr. Sujay Kantawala aged 44 years is an independent director of our Company. He holds a bachelor's degree in arts from the University of Mumbai. He completed his law in the year 1991. He was awarded with the prestigious Shri Vikram Narayan Walavalkar Scholarship He was a part time lecturer in Government Law College, Mumbai. He is a practicing Supreme Court and High Court lawyer. He has the distinction of practicing in the Hon'ble Supreme Court of India, Hon'ble High Courts at Mumbai, Delhi and Karnataka, Customs, Excise and Service Tax Appellate Tribunal in Delhi, Mumbai, Ahmedabad and Chennai, National/State/District Consumer Forum/Commission. He specializes in constitutional & administrative law relating to indirect taxation litigation.

Mr. Jasbir Singh Bhullar:

Mr. Jasbir Singh Bhullar aged 57 years is an independent director on the board of our Company. He started his own business in the year 1985 as a partner in M/s. Anil Industries, which is in the business of manufacturing and trading of textile goods. At present he is also a partner in Texport India and Creation Textiles. He is a director on the board of M/s. Anil Cloth Mills Private Limited, carrying on the business in textiles goods.

Mr. Mahabir P Agrawall:

Mr. Mahabir P Agrawall aged 56 years is an independent director on the board of our Company. He holds bachelor's degree in commerce. He held the position of managing director in Vasundhara Rasayans Limited, a public limited company engaged in the manufacturing, supply and export of Spray Dried Aluminium Hydroxide Gel. He promoted Ambience Properties Limited, a public limited company to commence activities in the field of real estate development and construction in the year 1995. Mr. Mahabir P Agrawall has more than 25 years of experience in the field of real estate development and construction and more than 15 years of experience in the field of bulk drug industry.

Borrowing powers of the Board:

Pursuant to an Extra-Ordinary General Meeting Resolution dated March 15, 2010 passed by the shareholders of the Company in accordance with the provisions of the Companies Act, 1956, the Board has been authorized to borrow any sum or sums of monies, from time to time, upon such terms and conditions as to interest, repayment, or otherwise and with or without security, as the board may think fit for the purposes of the Company's business, provided that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, provided however, the total amount so borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the Company and its free reserves shall not at any time exceed Rs 600,00,00,000 (Rupees Six Hundred Crores only).

Details of Appointment of the Directors

Name of Directors	Date of Resolution	Term	Date of expiry of term
Mr. Rakesh Kumar Agarwal	Board Resolution dated April 25, 2008	Director liable to retire by Rotation	March 31, 2013
Mr. Sujay Nitin Kantawala	Board Resolution dated December 16, 2005	Director liable to retire by Rotation	
Mr. Anand Kumar Jain	Board Resolution dated November 1, 2006	Director liable to retire by Rotation	
Mr. Piyush Goyal	Board Resolution dated April 25, 2008	Director liable to retire by	March 31, 2013

Name of Directors	Date of Resolution	Term	Date of expiry of term
		Rotation	
Mr. Sarvesh Agarwal	Board Resolution dated April 25, 2008		March 31, 2013
Mr. Hariram Agarwal	Board Resolution dated September 30, 2006	Director liable to retire by Rotation	
Mr. Mukesh Bansal	Board Resolution dated September 29, 2008	Director liable to retire by Rotation	
Mr. Ravish Chand Jain	Board Resolution dated November 1, 2006	Director liable to retire by Rotation	
Mr. Jasbir Singh Bhullar	Annual General Meeting dated Sept 30, 2004	Director liable to retire by Rotation	
Mr. B.V.Rao	Board Resolution dated September 30, 2009		March 31, 2014
Mr. Mahabir P Agrawall	Board Resolution dated March 15, 2010	Director liable to retire by Rotation	

Details of Remuneration of the Directors

Mr. Rakesh Kumar Agarwal, Managing Director

Mr. Rakesh Kumar Agarwal was appointed as the Managing Director of our Company with effect from April 1, 2008 vide shareholder's resolution dated September 29, 2008 passed at the Annual General Meeting of our Company for a period a five years.

The remuneration payable to Mr. Rakesh Kumar Agarwal, as director during the tenure of his appointment would comprise basic salary within the scale of Rs. 2, 00,000/- per month to Rs. 5, 00,000 per month.

The perquisites and allowances payable to Mr. Rakesh Kumar Agarwal according to the resolution would include:

i. Rent free residential accommodation (furnished or otherwise) and our Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation or house rent allowance in lieu thereof; house maintenance allowance and utility allowances aggregating 85 % of the basic salary.
ii. Hospitalisation, transport, telecommunication and other facilities such as:
   a. Hospitalisation, Transport, telecommunication and other facilities such as hospitalization and major medical expenses for self, spouse and dependent (minor) children,
   b. Car, with driver provided and maintained by the Company for official and personal use,
   c. Telecommunication facilities including broadband, internet and fax,
   d. Housing loan and/or housing loan interest subsidy as per the rules of the Company.
iii. Other perquisites and allowances such as leave travel concession/allowance, medical allowance, personal accident insurance, club membership fees are subject to a maximum of 50% of the basic salary.
iv. Contribution to provident fund, superannuation fund or annuity fund and gratuity fund as per the rules of the Company.
v. Leave in accordance with the rules of the Company. Privilege leave earned but not availed is subject to encashment in accordance with the rules of the Company.
vi. Allowance towards education of two children, whether in India or abroad, including fees, cost of stay and travel expenses.

Mr. B. V. Rao, Executive and Wholetime Director

Mr. B.V. Rao was appointed as the Wholetime Director of our Company with effect from September 30, 2009 vide shareholder's resolution dated September 30, 2009 passed at the Annual General Meeting of our Company for a period, up to and inclusive of March 31, 2014.

The remuneration payable to Mr. B. V.Rao, as a director during the tenure of his appointment is Rs 18,00,000/- per annum. The perquisites and annual increment payable to Mr. B.V. Rao will be as per Company's policy. He is not entitled to any sitting fees.

Mr. Sarvesh Agarwal, Executive and Wholetime Director

Mr. Sarvesh Agarwal was appointed as the Executive and Whole time Director of our Company with effect from April 1, 2008 vide shareholders resolution dated September 29, 2008 passed at the Annual General Meeting of our Company for a period a five years.
The remuneration payable to Mr. Sarvesh Agarwal, as a director during the tenure of his appointment would comprise basic salary within the scale of Rs. 2, 00,000/- per month to Rs. 5, 00,000 per month.

The perquisites and allowances payable to Mr. Sarvesh Agarwal according to the resolution would include:

i. Rent free residential accommodation (furnished or otherwise) and our Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation or house rent allowance in lieu thereof; house maintenance allowance and utility allowances aggregating 85 % of the basic salary.
ii. Hospitalisation, transport, telecommunication and other facilities such as:
    a. Hospitalisation, Transport, telecommunication and other facilities such as hospitalization and major medical expenses for self, spouse and dependent (minor) children,
    b. Car, with driver provided and maintained by the Company for official and personal use,
    c. Telecommunication facilities including broadband, internet and fax,
    d. Housing loan and/or housing loan interest subsidy as per the rules of the Company.
iii. Other perquisites and allowances such as leave travel concession/allowance, medical allowance, personal accident insurance, club membership fees are subject to a maximum of 50% of the basic salary.
iv. Contribution to provident fund, superannuation fund or annuity fund and gratuity fund as per the rules of the Company.
v. Leave in accordance with the rules of the Company. Privilege leave earned but not availed is subject to encashment in accordance with the rules of the Company.
vi. Allowance towards education of two children, whether in India or abroad, including fees, cost of stay and travel expenses.

Details of any arrangement or understanding with major shareholders, customers pursuant to which director or members of senior management were selected etc.

NIL

There are no service contracts entered into by the Board of Directors with our Company providing for benefits upon termination of employment

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance become applicable to us at time of seeking in-principal approval of the Stock Exchanges. The Company has complied with such provisions, including with respect to the appointment of independent Directors to the Board and the constitution of the following committees of the Board: the Audit Committee, the Remuneration Committee and the Investors Grievances Committee. The Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to the Company upon listing its Equity Shares.
The Board of Directors of the Company comprises of eleven (11) directors, of which 3 are executive directors, 4 are non executive Directors and 4 are independent directors. The Company has also constituted the various committees viz. Audit Committee, Share Transfer & Investor Grievance Committee and Remuneration Committee.
Further, the Company undertakes to comply with all the other requirements of the SEBI Guidelines on Corporate Governance as may be applicable to the Company upon listing of its equity shares.

Committees of the Board of Directors

Audit Committee:

Members:

1. Mr. Sujay Kantawala – Chairman
2. Mr. Jasbir Singh Bhullar – Member
3. Mr. Piyush Goyal – Member

Terms of Reference/ Scope of the Audit Committee

The terms of reference of the audit committee are:

1. Overseeing the Company's financial reporting process and disclosure of its financial information.
2. Regular review of accounts, accounting policies, disclosures, etc.
3. Regular review of the major accounting entries based on exercise of judgment by management.
4. Qualifications in the draft audit report.
5. Establishing and reviewing the scope of the statutory audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board, with particular reference to matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause 2(AA) of S.217 of the Companies Act, 1956, Major accounting entries involving estimates based on the exercise of judgment by management, changes in the accounting policies and practices and reasons for the same, significant adjustments made in the financial statements arising out of audit findings, Compliance with listing and other legal requirements relating to financial statements, Disclosure of any related party transactions and qualifications in the draft audit report.
6. The Committee shall have post audit discussions with the statutory auditors to ascertain any area of concern.
7. Regular review of the performance of statutory and internal auditors together with the management.
8. Discussion and follow up on any important findings with the internal auditors. In case there is a suspected case of fraud or irregularity, review of the findings of the internal auditors and reporting the matter to the board.
9. Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems including structure of the internal audit department, frequency of internal audit, staffing and seniority of the official heading the department. Review the functioning of the whistle blower mechanism, in case the same exists.
10. To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, IF ANY.
11. To look into the matters pertaining to the Director's Responsibility Statement with respect to compliance with applicable accounting standards and accounting policies.
12. Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
13. The Committee shall look into any related party transactions i.e., transactions of the company of material nature and disclose such transactions, with promoters or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
14. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.
15. Approval of payments to the statutory auditors for any other services rendered by them.
16. Review of management discussion and analysis of financial condition and results of operations, statements of related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
17. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee

Shareholders/ Investors Grievance Committee:

Members:

1. Mr. Piyush Goyal – Chairman
2. Mr. Rakesh Kumar Agarwal – Member
3. Mr. Jasbir Singh Bhullar – Member

Terms of Reference/Scope of Shareholders/ Investor Grievance Committee

The terms of reference of the shareholders/ investor grievance committee are:

1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
2. Approve requests for share transfers and transmission and those pertaining to rematerialisation of shares/ sub-division/ consolidation/ issue of renewed and duplicate share certificates etc.
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee

Remuneration Committee:

Members:

1. Mr. Anand Jain – Chairman
2. Mr. Mukesh Bansal – Member
3. Mr. Jasbir Singh Bhullar – Member

Terms of Reference/Scope of Remuneration Committee

The terms of reference of the Remuneration Committee are:
1. Framing suitable policies and systems to ensure that there is no violation, by an Employee of the Company of any applicable laws in India or overseas, including:
   - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
   - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
2. Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.
3. Perform such functions as are required to be performed under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee

Shareholding of Directors in our Company

Sr No	Name	No of shares	% of Pre Issue Capital
1.	Rakesh Kumar Agarwal	13,25,440	7.66%
2.	Mukesh Bansal	12,93,690	7.48%
3.	Sarvesh Agarwal	7,11,770	4.11%
4.	Hariram Agarwal	4,06,200	2.35%
5.	Piyush Goyal	NIL	NIL
6.	Sujay Kantawala	NIL	NIL
7.	Anand Kumar Jain	NIL	NIL
8.	Ravish Chand Jain	NIL	NIL
9.	Jasbir Singh Bhullar	NIL	NIL
10.	B.V. Rao	NIL	NIL
11.	Mahabir P Agrawall	NIL	NIL

Interest of our Directors

All the 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 Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association. All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them and/or their friends and relatives in our Company., or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

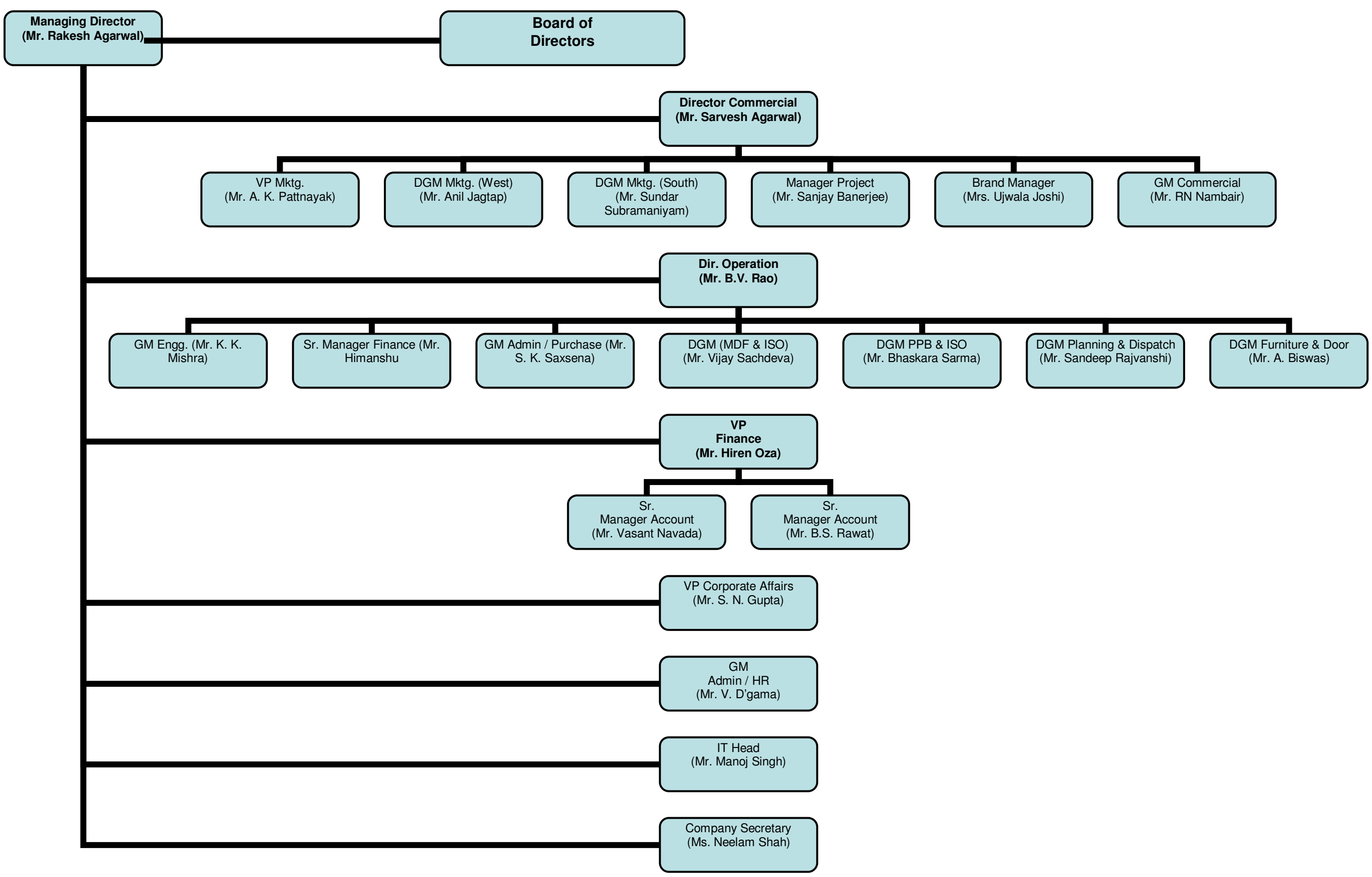
The Directors may also be regarded as interested in the shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees.

Change in the Board of Directors during the last three years

The following changes have occurred in Board of Directors of our Company in the last three years:

Name of Director	Date of Appointment/ Re-appointment	Date of cessation	Reason
Mr Chandan Bhattacharya	April 25, 2008	September 30,2009	Resignation
Mr Rajesh Manharlal Sanghvi	October 24, 2003	June 06, 2009	Resignation
Mr Ashok Kumar Ladha	December 16, 2005	March 05, 2007	Resignation
Mr Piyush Goyal	April 01, 2008		Appointment
Mr B.V. Rao	September 30, 2009	March 31, 2014	Appointment
Mr. Mahabir P. Agrawall	March 15, 2010		Appointment

Organisational Chart



Key Management Personnel

The details regarding our key management personnel are as follows:

Mr. Hiren Oza

Mr. Hiren Oza aged 53 years, is the Vice President (Accounts) of our Company. He holds masters degree in commerce and business administration and bachelors degree in general law. He has completed diploma in programming and system analysis and lead assessor in ISO 9000 certification. Mr. Hiren Oza is responsible for looking after the overall accounts, banking and finance of all the group companies. He has joined our Company on May 02, 2007 and is experienced in the field of accounts and finance. Prior to joining our Company, he was employed with Eskay Knit (India) Limited as a Vice President- Finance. He was also associated with Zenith Computers Limited in the past. His annual compensation for the last financial year was Rs.1.2 million.

Mr. A. Pattanayak

Mr. A. Pattanayak aged 46 years, is the Vice President (Marketing) of our Company. He holds degree in B.A., PGDMS from IIPM (Delhi) and PGDM from YMCA (Delhi). Mr. A. Pattanayak has experience of more than 15 years in the activities related to sales and marketing of MDF, Particle Boards, Laminated and other related products. He has joined our Company on January 01, 2007 and looks after the marketing of the company's products on all India basis. Prior to joining our Company he was employed with Century Ply Boards (India) Limited as Deputy General Manager- Prelam Division. His annual compensation for the last financial year was Rs. 0.82 million.

Mr. S. N. Gupta

Mr. S. N. Gupta aged 46 years, is the Vice President (Corporate Affairs) of our Company. He holds degree in automobile engineering from Pusa Polytechnic, Pusa, Delhi. Mr. S.N. Gupta is responsible for all corporate related matters. He has joined our Company on January 04, 2003. Prior to joining our Company he was Government Approved and Licensed Insurance Surveyor and Loss Assessor. His annual compensation for the last financial year was Rs. 0.60 million.

Mr. R. N. Nambiar

Mr. R. N. Nambiar aged 60 years, is the General Manager (Commercial) of our Company. He holds degree in masters of commerce. Mr. R. N. Nambiar was also associated with KEC Limited & Jyoti Structure Limited. He has experience of handling commercial matters, inventory procurement & administration etc. He has joined our Company on May 14, 2005. Prior to joining our Company he was employed with KEC International Limited as Divisional Manager. His annual compensation for the last financial year was Rs. 0.75 million.

Mr. Vianney D'Gama

Mr. Vianney D'Gama aged 54 years, is the General Manager (Plant and Administration) of our Company. He holds degree in B.A and a diploma in export management from IIFT. Mr. Vianney D'Gama has an experience of 24 years as an export-import executive. He is in charge of administrative work, implementation of project, procurement and factory management. He has joined our Company on July 01, 1995. Prior to joining our Company he was employed with Steelage Industries Limited as an executive in foreign trade. His annual compensation for the last financial year was Rs. 0.45 million.

Mr. S. K. Saxena

Mr. S.K. Saxena aged 61 years, is the General Manager (Administration & Purchase) of our Company. He holds degree in bachelor's of science. Mr. S.K. Saxena is having 41 years of experience in the similar fields of administration, purchase and plan management. He has joined our Company on September 29, 2006. Prior to joining our Company he was employed with Jhunjhunwala Vanaspati Limited as a Vice President. He was also associated with Radha Vanaspati Limited in the past. His annual compensation for the last financial year was Rs. 0.44 million.

Mr. K. K. Mishra

Mr. K.K. Mishra aged 47 years, is the General Manager (Engineering) of our Company. He holds bachelor's degree in science and AMIE (mechanical engineering). Mr. K.K. Mishra has experience in dismantling, repair, reconditioning, upgrading, commissioning, erection, installation and maintenance of plant. He has joined our Company on April 28, 2009. Prior to joining our Company he was associated with Managalam Timber Products Limited as Senior Engineer Mechanical. He was also associated with Nuchem Limited in the past. His annual compensation for the last financial year was Rs. 0.6 million.

Ms. Neelam Shah

Ms. Neelam Shah aged 42 years, is the company secretary of our Company. She holds degree in bachelor's of commerce and is a qualified chartered secretary. Ms. Neelam Shah has an experience of 12 years in the legal and secretarial field. She has recently joined our Company on November 30, 2009. Prior to joining our Company she was employed with Yamuna Engineers India Limited as Company Secretary. Her annual compensation for the last financial year was Rs. 0.13 million.

Mr. Sundaram Subramaniam

Mr. Sundaram Subramaniam aged 42 years, is the Deputy General Manager (South Zone) of our Company. He holds degree in bachelors of science (Physics) and masters in business administration (Marketing). Mr. Subramaniam has an experience of about 17 years in the field of sales and marketing of processed wood panels. He has joined our Company on April 07, 2008. Prior to joining our Company he was employed with Century Plyboards (I) Limited as Assistant General Manager. His annual compensation for the last financial year was Rs. 1.02 million.

Mr. Anil Jagtap

Mr. Anil Jagtap aged 45 years, is the Deputy General Manager (West Zone) of our Company. He holds bachelors degree in science and masters degree in business administration (Marketing). Mr. Anil Jagtap has an experience of about 20 years in marketing of products such as particle boards and other related products. He has joined our Company on May 02, 2008. Prior to joining our Company he was employed with Bakelite Hylam Limited as Deputy General Manager- Marketing. He was also associated with Nepal Boards Limited in the past. His annual compensation for the last financial year was Rs. 1.06 million.

Mr. Vijay Sachdeva

Mr. Vijay Sachdeva aged 38 years is the Deputy General Manager (MDF Production and Pre Lamination) of our Company. He holds bachelors degree technology (Chemical Engineering) and masters degree in business administration. Mr. Vijay Sachdeva is having 15 years of experience in the similar fields of production, production planning, process control and man management. He has joined our Company on May 18, 2008. Prior to joining our Company he was employed with Bajaj Eco Tec Products Limited. He was also associated with Nuchem Limited in the past. His annual compensation for the last financial year was Rs. 0.50 million.

Mr. Bhaskara Sarma

Mr. Bhaskara Sarma aged 43 years, is Deputy General Manager (PPB Production & ISO) of our Company. He has completed diploma in chemical engineering. Mr. Bhaskara Sarma is having 20 years of experience in the similar fields of production, production planning, process control and man management. He has joined our Company on October 17, 2008. Prior to joining our Company he was employed with Ampro Food Products Private Limited as a Production Supervisor. He was also associated with Novopan Industries Limited in the past. His annual compensation for the last financial year was Rs. 0.40 million.

Mr. Sandeep Rajvanshi

Mr. Sandeep Rajvanshi aged 44 years, is the Deputy General Manager (Planning and Despatch) of our Company. He holds masters degree in science (Applied Organic Chemistry). Mr. Sandeep Rajvanshi is having 23 years of experience in the fields of production, production planning, process control of different products and man management. He has joined our Company on May 01, 2008. Prior to joining our Company he was employed with M/s. Kitply Industries Limited as a Quality Control Incharge. He was also associated with Eco Board Industries Limited in the past. His annual compensation for the last financial year was Rs. 0.80 million.

Mr. Manoj Singh

Mr. Manoj Singh aged 32 years, is the head of Information Technology of our Company. He holds bachelors degree in commerce and masters degree in computer and system development. He has joined our Company on April 01, 2010. Prior to joining our Company he was employed with Apple International Engineering Works Private Limited as a System Manager. He was not entitled to compensation in the last financial year.

Mrs. Ujwala Joshi

Mrs. Ujwala Joshi aged 37 years, is the Brand Manager of our Company. She has graduated in commerce and holds a post graduate diploma in business management. Mrs. Ujwala Joshi started her career with Century Plywood Private Limited as an assistant to Deputy General Manager-Marketing. She has joined our Company on May 02, 2008. She is responsible for compiling, editing and bringing out the quarterly in-house journal of our Company titled "ASIS Vaarta". Prior to joining our Company, he was employed with Century Plywood Private Limited as Assistant to Deputy General Manager-Marketing. Her annual compensation for the last financial year was Rs. 0.22 million.

Mr. Sanjay Banerjee

Mr. Sanjay Banerjee aged 42 years, is the Manager Project of our Company. He has graduated in commerce from Mumbai University. Mr. Sanjay Banerjee has a total experience of 20 years in sales and marketing. He was also associated with M/s. Samrat Plywood Limited and Century Plyboards (I). He has joined our Company on March 08, 2007. Prior to joining our Company he was employed with Century Ply Boards India Limited as Area Sales Manager. His annual compensation for the last financial year was Rs. 0.47 million.

Mr. Vasant Navada

Mr. Vasant Navada aged 54 years, is the Deputy General Manager (Accounts) of our Company. He has graduated in commerce from Mumbai University and is a qualified chartered accountant. Mr. Vasant Navada has a total of 26 years experience in the field of Accounts. He has joined our Company on November 09, 2009. Prior to joining our Company, he was employed with M/s. W.H.Brady & Company Limited as Deputy General Manager- Accounts. He was also associated with Bharat Synthetics Limited in the past. His annual compensation for the last financial year was Rs. 0.18 million.

Mr. Bhagat Singh Rawat

Mr. Bhagat Singh Rawat aged 42 years, is the Manager Accounts of our Company. He has graduated in commerce from Mumbai University. Mr. Bhagat Singh Rawat was associated with M.P. Kala & Company, as an accounts executive, in charge of auditing and general accounting. He has joined our Company on September 20, 1994. Prior to joining our Company he was employed with M.P.Kala & Co as an Accounts Assistant. His annual compensation for the last financial year was Rs. 0.65 million.

Mr. Himanshu Sharma

Mr. Himanshu Sharma aged 38 years, is the Senior Manager (Finance) of our Company. He has graduated in B.Sc. (Honours) from Aligarh Muslim University and PGDBM with specialization in finance. Mr. Himanshu Sharma has a total of 16 years experience in the field of finance management. He has joined our Company on October 22, 2009. Prior to joining our Company he was employed with Khatena Fibres Limited as Commercial Manager. He was also associated with DSM & Associates. His annual compensation for the last financial year was Rs. 0.42 million.

Mr. Anirban Biswas

Mr. Anirban Biswas aged 34 years, is the Deputy General Manager (Furniture & Door) of our Company. He has graduated in B.Sc. (Honours) from Calcutta University and is currently pursuing MBA. Mr. Anirban Biswas has experience in setting up a total manufacturing unit of our Company. He has joined our Company on January 20, 2010. Prior to joining our Company he was employed with M/s Della Tecnica Office Systems Private Limited as section in charge. His annual compensation for the last financial year was Rs. 0.15 million.

All our KMP as disclosed above are permanent employees of the Company and none of our Directors and our KMP are related to each other.

Retirement Benefits of Key Management Personnel

None of our KMP are entitled to any retirement benefits.

Shareholding of the Key Management Personnel

None of the KMP holds any shares in our Company.

Bonus or profit sharing plan of Key Management Personnel

Our Company does not have any bonus or profit sharing plan for the KMP.

Interests of Key Management Personnel

The KMP of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding, if any, in the Company.

None of our KMP have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in our Company in the last three years are as follows:

Name of the KMP	Designation	Date of change	Reason for change
Mr U.N. Sharma	General Manager (Engineering)	May 04, 2009	Resignation
Mr. Hiren Oza	Vice President (Accounts)	May 02, 2007	Appointment
Mr. Sundaram Subramaniam	Deputy General Manager (South Zone)	April 07, 2008	Appointment
Mr. Sandeep Rajvanshi	Deputy General Manager (Planning and Despatch)	May 01, 2008	Appointment
Mr. Anil Jagtap	Deputy General Manager (West Zone)	May 02, 2008	Appointment
Ms. Ujwala Joshi	Brand Manager	May 02, 2008	Appointment
Mr. Vijay Sachdeva	Deputy General Manager (MDF Production and Pre Lamination)	May 18, 2008	Appointment
Mr. Bhaskara Sarma	Deputy General Manager (PPB Production & ISO)	October 17, 2008	Appointment
Mr. K.K. Misra	General Manager (Engineering)	April 28, 2009	Appointment
Mr. Himanshu Sharma	Senior Manager (Finance)	October 22, 2009	Appointment
Mr. Vasant Nanda	Deputy General Manager (Accounts)	November 09, 2009	Appointment
Ms. Neelam Shah	Company Secretary	November 30, 2009	Appointment
Sandeep Uppal	Deputy General Manager (Furniture and Doors)	December 30, 2009	Resignation
Mr. Achal Kumar Sharma	General Manager	January 09, 2010	Appointment

Name of the KMP	Designation	Date of change	Reason for change
	(Production)		
Mr. Anirban Biswas	Deputy General Manager (Furniture & Door)	January 20, 2010	Appointment
Mr. R.K. Maheshwari	General Manager (Production and Despatch)	February 10, 2010	Resignation
Mr. Achal Kumar Sharma	General Manager (Production)	March 09, 2010	Resignation
Mr. Manoj Singh	Information Technology (Head)	April 01, 2010	Appointment

Employees Share Purchase and Stock Option Scheme

The Company does not presently have any stock option scheme or stock purchase scheme for its employees.

Payment or Benefit to Officers of our Company

Except as stated otherwise in the Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of the officers except the normal remuneration for services rendered as Directors, officers or employees, since the incorporation of the Company.

Except as stated in "Related Party Transactions" beginning on page 134 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors.

OUR PROMOTERS AND GROUP COMPANIES

Our Promoters

Mr. Rakesh Kumar Agarwal, Mr. Mukesh Bansal, Mr. Sarvesh Agarwal, and Mr. Hariram Agarwal are the individuals who are the Promoters of our Company, while Asis Industries Private Limited is the corporate Promoter of our Company

1. Mr. Rakesh Kumar Agarwal

Mr. Rakesh Kumar Agarwal aged 46 years is the Managing Director of our Company. He is an engineer and obtained his B. E. degree in Mechanical Engineering in the year 1984 from the University of Gorakhpur. He served as a lecturer for two years at Regional Engineering College, Kurukshretra, Haryana and then worked for six months as a assistant director in Central Electricity Authority, Ministry of Power, Government of India, New Delhi. He later joined Directorate General of Technical Development ("**DGTD**"), Ministry of Industry, Government of India in the year 1987 where he gained experience in the field of Export. During his tenure in DGTD, he was posted at Mumbai and he was responsible for promotion of investment and export and import substitution activities in Maharashtra, Gujarat, Goa and Union Territory of Daman. He was also responsible for guiding the investors and entrepreneurs in the matter related to emerging opportunities, licensing procedures and import and export procedures. He represented DGTD in various committees of Ministry of Commerce, Export Promotion Councils and Export Inspection Agencies for fixation of input output norms, encouraging import substitution, transfer of technology, up-gradation of technology, quality assurance and quality control systems and gained rich experience in operational matters. He resigned from DGTD in November 1992 and promoted ASIS Group. Under the leadership of Mr. Rakesh Kumar Agarwal a comprehensive data portal to provide data base driven information through search on export, import, customs, excise, investments and industrial law was launched in the name of eximkey.com in the year January, 2000. He also led the implementation of the project for manufacturing of plain and pre-laminated particle board, plain and prelaminated MDF board, decorative laminates, etc at Pantnagar, Uttarachal. He also led the implementation of the project for manufacturing facilities at Coimbatore.

For Further details, see "Our Management" on page 107 of the Draft Red Herring Prospectus.
Mr Rakesh Kumar Agarwal voter's identification number ROL1006345, his driving license number is MH-02-90 – 2834,

Address: Plot no. 326, 3rd Floor, Matrusmruti,New Linking Road, Khar (West),
Mumbai – 400 052

For further information on Mr Rakesh Kumar Agarwal, please refer to brief profiles of the directors on page 107 under the section titled "Our Management".

2. Mr. Mukesh Bansal

Mr. Mukesh Bansal aged 48 years is a non executive director of our Company. He is a commerce graduate. He started his own business as a cloth merchant. Later in 1992 he joined ASIS Group and provided services on export/import and investment matters. He was also responsible in representing clients before various authorities. In the period 1985 - 1993 he gained experience in dealing and liaisoning with various agencies and departments. Mr. Mukesh Bansal is a partner in an existing customs house agent's company in the name of M/s. Narvekar & Co to provide customs services as Customs House Agent. Later on the name of the Company was changed to M/s. Asis Overseas (C&F) Pvt. Ltd. with 100% ownership of Asis Group. Mr. Mukesh Bansal leads multi-locational logistics activities of Asis Group, comprising of customs clearing and forwarding, transportation, warehousing, advising and material handling activities. Under the leadership of Mr. Mukesh Bansal customs house agents activities of Asis Group were accorded ISO 9002 certificate. The customs house agent's activities were integrated with transport business through large fleet of owned vehicles and hired vehicles both. After transportation, the services were further integrated by adding material handling, deploying cranes and forklifts at port and customers end. All the activities of logistics under the leadership of Mr. Mukesh Bansal were certified under ISO system and monitored with the help of strong internal and external matters.

For Further details, see "Our Management" on page 107 of the Draft Red Herring Prospectus.

Mr Mukesh Bansal voter's identification number ROL2301323, his driving license number is MH-02-95 – 6558
Address: Plot no. 326, 4th Floor, Matrusmruti,New Linking Road, Khar (West), Mumbai – 400 052

For further information on Mr Mukesh Bansal, please refer to brief profiles of the directors on page 107 under the section titled "Our Management".

3. Mr. Hariram Agarwal

Mr. Hariram Agarwal aged 72 years is a non executive director of our Company. He has provided his services to the State Government of Uttar Pradesh wherein he has served in different departments and after retiring from the service, he has been providing guidance to the directors of our Company. He also provides strong support to all the persons associated with Asis Group as vendors, customers, employees or stake holders of any other type.

For Further details, see "Our Management" on page 107 of the Draft Red Herring Prospectus.

Mr Hariram Agarwal voter's identification number ROL1006303 and driving license number is not available
Address: Plot no. 326, 2nd Floor, Matrusmruti, New Linking Road, Khar (West),
Mumbai – 400 052

For further information on Mr Hariram Agarwal, please refer to brief profiles of the directors on page 107 under the section titled "Our Management".

4. Mr. Sarvesh Agarwal

Mr. Sarvesh Agarwal aged 33 years is a Wholetime director of our Company. He is a commerce graduate. He joined ASIS Group and gained experience at an early age. He started activity of importing MDF board and particle board in the ASIS Group and independently handled the entire purchase, inventory management, sales and distribution of such products. He is responsible for entire marketing, brand promotion, sales, distribution and collection of all items manufactured by our Company. He leads multi-locational operations of our Company and is responsible for coordination between sales and production to meet the requirements of customers. He is responsible for procurement of critical material, including chemicals and paper in cost effective manner and is also responsible for all the business activities relating to PVC Edge Bends and Edge Profiles. Mr. Sarvesh Kumar Agarwal is responsible for identifying new products, need gaps and the manner in which such gaps can be filled in the most appropriate manner.

For Further details, see "Our Management" on page 107 of the Draft Red Herring Prospectus.

Mr Sarvesh Agarwal voter's identification number is not available, his driving license Number is MH-02-94 -58755,

Address: Plot no. 326, 2nd Floor, Matrusmruti, New Linking Road, Khar (West), Mumbai – 400 052

For further information on Mr Sarvesh Agarwal, please refer to brief profiles of the directors on page 107 under the section titled "Our Management".

OUR CORPORATE PROMOTER

5. ASIS INDUSTRIES PRIVATE LIMITED ("AIPL")

AIPL is a company incorporated in India on September 14, 2000 as Asis Infotech Private Limited. AIPL has changed its name to its present name on November 11, 2003. The registered office of AIPL is "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (West), Mumbai – 400028. AIPL is in the business of system study, analysis, design, development and implementation of software systems.

The board of directors of AIPL comprises the following individuals:

- Mr. Rakesh Kumar Agarwal;
- Mr. Mukesh Bansal
- Mr. Hariram Agarwal and
- Mr. Sarvesh Agarwal

The financial performance of AIPL for the last three audited financial years, preceding the date of the Draft Red Herring Prospectus, is as follows:

Financial performance of AIPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sale & Other Income	16.92	15.19	49.23
PAT	7.48	5.59	37.06
Equity Capital (of face value Rs. 10 each)	26.12	26.12	26.12
Reserves	237.54	230.06	224.48
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.39	0.45	0.51
EPS (Rs.) i) Basic	2.86	2.14	14.19
ii) Diluted	2.86	2.14	14.19
Net Asset Value (Rs.)	100.79	97.91	95.74

The shares of AIPL are not listed on any stock exchange.

AIPL has not made any public or rights issue in the three years preceding the date of the Draft Red Herring Prospectus.

AIPL has not been declared as a sick industrial company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1995, (**"SICA"**).

No proceedings for winding up of AIPL have been initiated.

Promoters of AIPL

1. Mr. Rakesh Kumar Agarwal; and
2. Mr. Mukesh Bansal

Shareholding pattern of AIPL

Sl.No.	Name of the Shareholder	No. of shares	Percentage of share holding
1.	Mr. Rakesh Kumar Agarwal	2,351,000	90.01%
2.	Mr. Mukesh Bansal	261,000	9.99%
	Total	**2,612,000**	**100.00%**

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to the extent of their being directors in our Company.

Further, our individual Promoters are also directors on the boards of or members of certain Group Companies and they may be deemed to be interested to the extent of the payments made by our Company, if any, to these Group Companies.

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

Also see "Our Management – Interests of our Directors" on page 107 of the Draft Red Herring Prospectus.

Further, except as disclosed in the sections titled "Our Promoters and Group Companies" on page 123 of the Draft Red Herring Prospectus, our Promoters do not have any interest in any other ventures that involve any activities similar to those carried out by us.

Confirmations

We confirm that the Permanent Account Number (as may be applicable), Bank Account Numbers, Passport Numbers, the Company Registration Number and the address of the Registrar of Companies where the Promoters are registered, (as applicable), will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus. Further, none of the Promoters or the relatives of our individual Promoter have been declared as willful defaulters by the Reserve Bank of India, or any other Government authority, and there are no violations of securities laws committed by any of the Promoters in the past, nor are there any proceedings pending against any of the Promoters in this regard.

Payment of benefits to our Promoters

Except as stated in the section "Financial Statements - Related Party Transactions" on page 136 of the Draft Red Herring Prospectus, for the period ending December 31, 2009, there has been no payment of benefits to our Promoters during the two years prior to the filing of the Draft Red Herring Prospectus. For further details please refer to "Group Companies - Disassociation by our Promoters in the last three years" at page 128 of the Draft Red Herring Prospectus.

Our Promoters have not disassociated themselves from any companies or firms during preceding three years, from the date of filing of the Draft Red Herring Prospectus, except as disclosed in the Draft Red Herring Prospectus.

No amount or benefit has been paid or given to our Promoters within the two years preceding the date of the Draft Red Herring Prospectus, except to the extent of the following:

(a) the remuneration and other benefits paid to Mr. Rakesh Kumar Agarwal, to which he is entitled to in his capacity as a Managing Director of our Company, as per the terms of appointment. These amounts include the reimbursement of expenses incurred by Mr. Rakesh Kumar Agarwal during the ordinary course of business of our Company;

(b) the remuneration and other benefits paid to Mr. Mukesh Bansal, Mr. Sarvesh Agarwal, and Mr. Hariram Agarwal to which they are entitled to in their capacity as Directors of our Company, as per the terms of their appointment. These amounts include the reimbursement of expenses incurred by Mr. Mukesh Bansal, Mr. Sarvesh Agarwal, and Mr. Hariram Agarwal

(c) the dividends paid to AIPL in its capacity as a shareholder of our Company.

None of our Promoters are interested in any property acquired by our Company in the two years immediately preceding the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company.

None of our Promoters are interested in any transaction in acquisition of land, construction of building and/or supply of machinery etc.

GROUP COMPANIES

A. ***Listed Group Companies***

None of the Group Companies are listed

B. ***Group Companies which have become a sick industrial company, is under winding up or has a negative net worth***

There are no group companies that have become sick industrial company, is under winding up or have negative net worth

C. ***Other Group Companies***

1. **Dytel Finance & Investments Private Limited ("DFIPL")** is a company incorporated in India vide a certificate of incorporation dated June 5, 1995. It is in the business of finance and investments. The promoters and Promoter Group of our Company hold 100 % issued share capital in DFIPL.

Financial performance of DFIPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.98	0.11	4.19
PAT	0.79	0.06	3.64
Equity Capital	2.50	2.50	2.50
Reserves	7.32	6.53	6.47
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.02	0.04
EPS (Rs.) i) Basic	3.15	0.26	14.57
ii) Diluted	3.15	0.26	14.57
Net Asset Value (Rs.)	39.27	36.04	35.69

2. **Asis Global Limited ("AGL")** is a company incorporated in India vide a certificate of incorporation dated July 10, 1995. It is in the business of trading in textiles, electronic items, tyre tubes, etc. The promoters and Promoter Group of our Company hold 100% issued share capital in AGL.

Financial performance of AGL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	520.51	196.83	189.01
PAT	6.53	2.26	1.55
Equity Capital	20.00	20.00	20.00
Reserves	14.38	7.85	5.59
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.03	0.06
EPS (Rs.) i) Basic	3.26	1.13	0.78
ii) Diluted	3.26	1.13	0.78
Net Asset Value (Rs.)	17.19	13.91	12.77

3. **Rachana Finance & Investments Private Limited** ('**RFIPL**') is a company incorporated in India vide a certificate of incorporation dated June 5, 1995. It is in the business of finance and investments. The promoters and Promoter Group of our Company hold 100% issued share capital in RFIPL.

Financial performance of RFIPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.13	1.24	0.39
PAT	0.06	1.08	0.16
Equity Capital	2.70	2.70	2.70
Reserves	4.06	3.99	2.91
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.02	0.04
EPS (Rs.) i) Basic	0.24	3.99	0.61
ii) Diluted	0.24	3.99	0.61
Net Asset Value (Rs.)	25.79	25.47	21.39

4. **Pratibha Finance & Investments Private Limited ("PFIPL")** is a company incorporated in India vide a certificate of incorporation dated August 23, 1995. It is in the business of finance and investments. The promoters and Promoter Group of our Company hold 100% issued share capital in PFIPL.

Financial performance of PFIPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.09	3.14	0.30
PAT	0.05	2.75	0.07
Equity Capital	9.30	9.30	9.30
Reserves	5.59	5.55	2.79
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.01	0.05
EPS (Rs.) i) Basic	0.05	2.96	0.07
ii) Diluted	0.05	2.96	0.07
Net Asset Value (Rs.)	16.02	15.95	12.96

5. **Asis Logistics Limited** (**"ALL"**) is a company incorporated in India vide a certificate of incorporation dated March 31, 1994. It is in the business of logistics solutions through land, air, water and space. The promoters and Promoter Group of our Company hold 95.01% issued share capital in ASL.

Financial performance of ALL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	997.26	617.54	298.95
PAT	47.95	46.66	27.46
Equity Capital	38.07	15.33	2.53
Reserves	286.56	261.35	35.49
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.08	0.13	0.18
EPS (Rs.) i) Basic	12.60	30.44	108.67
ii) Diluted	12.60	30.44	108.67
Net Asset Value (Rs.)	80.53	180.43	513.87

6. **Manhar Properties Private Limited ("MPL")** is a company incorporated in India vide a certificate of incorporation dated August 7, 1995. It is in the business of builders, developers, and architects. The Promoters and Promoter Group f our Company hold 100% issued share capital in MPL.

Financial performance of MPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.15	1.51	0.19
PAT	0.11	1.29	0.11
Equity Capital	10.80	10.80	10.80
Reserves	4.39	4.28	2.82
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.00	0.04
EPS (Rs.) i) Basic	0.10	1.20	0.10
ii) Diluted	0.10	1.20	0.10
Net Asset Value (Rs.)	14.06	13.96	12.57

7. **Poona Pearls Biotek Limited ("PPBL")** is a company incorporated in India vide a certificate of incorporation dated March 11, 1996. It is in the business of poultry farming, horticulture, pisciculture, sericulture, floriculture, dairies and cultivator of various food grains. The Promoters and Promoter Group of our Company hold 100% issued share capital in PPBL.

Financial performance of PPBL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.00	0.16	0.16
PAT	(0.13)	(5.55)	0.02
Equity Capital	74.03	74.03	74.03
Reserves	(1.90)	(1.77)	3.78
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.05	0.11
EPS (Rs.) i) Basic	0.00	0.00	0.002
ii) Diluted	0.00	0.00	0.002
Net Asset Value (Rs.)	9.74	9.75	10.50

8. **Labh Capital Services Private Limited ("LCPL")** is a company incorporated in India vide a certificate of incorporation dated June 15, 1992. It is in the business of consultants for capital services such as share and stock brokers, investments portfolio manager, registrar, share transfer agents. Our Company, the Promoters and Promoter Group of our Company hold 100% issued share capital in LCPL.

Financial performance of LCPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	2.30	1.29	5.03
PAT	0.72	0.93	4.41
Equity Capital	29.94	29.94	29.94
Reserves	4.20	3.48	2.55
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.00	0.00
EPS (Rs.) i) Basic	2.41	3.12	14.74
ii) Diluted	2.41	3.12	14.74
Net Asset Value (Rs.)	114.04	113.95	110.81

9. **Repute Properties Private Limited ("RPL")** is a company incorporated in India vide a certificate of incorporation dated July 28, 1995. It is in the business of building, developing, and architecture. The promoters Promoter Group of our Company hold 100% issued share capital in RPL.

Financial performance of RPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.11	8.91	0.11
PAT	0.00	7.89	0.05
Equity Capital	7.25	7.25	7.25
Reserves	9.36	9.37	1.48
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.00	0.04
EPS (Rs.) i) Basic	0.00	10.88	0.06
ii) Diluted	0.00	10.88	0.06
Net Asset Value (Rs.)	22.92	22.91	11.98

10. **Swanbay Technologies Private Limited ("STPL")** is a company incorporated in India vide a certificate of incorporation dated February 17, 1995. It is in the business of rendering complete technical, mechanical, electrical, engineering and general consultative services. The Promoters Promoter Group of our Company have 100% issued share capital in STPL.

Financial performance of SFIPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.07	0.07	0.07
PAT	0.03	0.04	0.03
Equity Capital	0.10	0.10	0.10
Reserves	0.15	0.12	0.08
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.00	0.00
EPS (Rs.) i) Basic	2.93	3.75	2.77
ii) Diluted	2.93	3.75	2.77
Net Asset Value (Rs.)	24.67	21.74	17.99

11. **Asis Overseas (C&F) Private Limited ("AOPL")** is a company incorporated in India vide a certificate of incorporation dated August 21, 1997. It is in the business of clearing and forwarding of goods pertaining to import and export, transportation of goods in respect of goods through import and export. The Promoters and Promoter Group of our Company have 100% issued share capital in AOPL.

Financial performance of AOPL

(Rs. in millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Sales & Other Income	0.00	0.05	27.21
PAT	0.00	0.00	1.54
Equity Capital	10.00	10.00	10.00
Reserves	7.28	7.27	7.27
Miscellaneous Expenditure to the extent not written off (Preliminary expenses)	0.00	0.00	0.00
EPS (Rs.) i) Basic	0.00	0.00	1.54
ii) Diluted	0.00	0.00	1.54
Net Asset Value (Rs.)	17.28	17.27	17.27

Other Confirmations

Further, the Group Companies have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoters or Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details relating to the legal proceeding involving the Promoters and the Group Companies, see "Outstanding Litigation and Defaults" on page 161 of the Draft Red Herring Prospectus.

Common Pursuits

The objects clause in the memorandum and articles of association of some of our Group Companies allow them to carry on the business which may be similar or in connection with business carried out by our Company. Therefore, some of our Group Companies may have common pursuits. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 134 of the Draft Red Herring Prospectus.

Sick Companies

None of the Group Companies has become sick company under SICA and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Companies, to the Registrar of Companies for striking off their names.

Additionally, none of our Group Companies have become defunct in the five years preceding the filing of the Draft Red Herring Prospectus, nor has any Group Company been declared as a sick industrial company under the provisions of the SICA.

No proceedings for winding up of any of the Group Companies have been initiated.

Disassociation by our Promoters in the last three years

Sr. No.	Name of the Company/Firm	Reasons for disassociation	Date of disassociation
1.	Sajal Finance and Investment Private Limited	Sale of assets by transferring the shareholding	February 9, 2009
2.	Emeca Finance and Investment Private Limited	Sale of assets by transferring the shareholding	April 2, 2007
3.	S.N. Sales Corporation	Retirement from partnership	April 30, 2009s

For details of the Group Companies which have made loss or negative net worth during the past three years, see "Risk Factors" on page xiv of the Draft Red Herring Prospectus.

Sales and Purchases between Companies in the Group Companies

There have been no sales or purchase between companies in the Group companies where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company except as disclosed in the section titled "Related Party Transactions" and "Financial Statements" on page 134 and 136 of the Draft Red Herring Prospectus.

Amount of commercial business that a Group Company have or may have with our Company

The amount of commercial business between any of the Group Companies/ associate companies and our Company cannot be quantified. For Further details, see section titled "Related Party Transactions" and "Financial Statements" on page 134 and 136 respectively, of the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see "Financial Statements- Related Party Transactions" beginning on page 134 of the Draft Red Herring Prospectus

DIVIDEND POLICY

The declaration and payment of dividend is recommended by the Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company.

For details of the dividend paid by the Company, see "Financial Statements- Auditor's Report" beginning on page 136of the Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report

(as required by Part II of Schedule II to the Companies Act, 1956)

RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AS OF DECEMBER 31, 2009, MARCH 31, 2009, 2008, 2007, 2006 AND 2005, PROFITS AND LOSSES FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2009 AND EACH OF THE YEARS ENDED MARCH 31, 2009, 2008, 2007, 2006 AND 2005 AND CASH FLOWS FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2009 AND EACH OF THE YEARS ENDED MARCH 31, 2009, 2008, 2007, 2006 AND 2005

To

The Board of Directors
Shirdi Industries Limited
'A' Wing, 2nd Floor, Mhatre Pen Bldg,
Senapati Bapat Marg, Dadar (West)
Mumbai- 400 028
Dear Sirs,

1. We have examined the attached restated summary statements of Shirdi Industries Limited ('Company') prepared by the Company and annexed to this report, in connection with the proposed Initial Public Offering (IPO) of equity shares of par value of Rs 10 each. Such restated summary statements, which has been made as at December 31, 2009, March 31, 2009, 2008, 2007, 2006 and 2005, have been prepared by the Company and approved by the Board of Directors in accordance with the requirements of:

    a. paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and

    b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the Regulations') issued by the Securities and Exchange Board of India ('SEBI')..

2. We have examined such restated summary statement taking into consideration:

    a. the terms of reference received from the Company vide letter dated February 6, 2010, requesting us to carry out work on such restated summary statements , in connection with the offer document being issued by the Company for its proposed Public Offer and

    b. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

Management has informed that the Company proposes to make an IPO of up to 6,500,000 equity shares having a face value of Rs 10 each at an issue price to be arrived at by the book building process.

Financial information as per Restated Summary Statements:

3. *Except to the matter stated in paragraph 5 below* we have examined the attached Restated Summary Statements of:
    - assets and liabilities of the Company as at December 31, 2009, March 31, 2009, 2008, 2007, 2006 and 2005;
    - profits and losses of the Company for the nine month period ended December 31, 2009 and each of the years ended March 31, 2009, 2008, 2007, 2006 and 2005; and
    - cash flows of the Company for the nine month period ended December 31, 2009 and each of the years ended March 31, 2009, 2008, 2007, 2006 and 2005;

    which have been prepared by the Company and approved by its Board of Directors (these statements are hereinafter collectively referred to as the "Restated Summary Statements" and attached as Annexure I to this Report). These statements have been extracted by the management from the audited financial statements of the Company for the respective period/years. Audit of the Financial Statements for the period ended December 31, 2009 and March 31, 2009 were conducted by us and for the year ended March 31, 2008 and years ended March 31, 2007, 2006 and 2005, the audit of the Financial Statements were conducted by the Company's previous auditors ie M/s S. R. Batliboi &

Associates and M/s M. P. Kala & Co respectively (jointly referred as previous auditors). This report, in so far as it relates to the amounts included for the financial years ended March 31, 2008, 2007, 2006 and 2005 is based on the Audited Financial Statements of the Company which were audited by the previous auditors and whose Auditors' report has been relied upon by us for the said years.

In accordance with the requirements of Paragraph B(1) of Part II of schedule II of the Act, 'the Regulations' and terms of our engagement agreed with you, we report that:

a) The Restated Summary Statements of the Company as at and for the years ended March 31, 2008, 2007, 2006 and 2005 are based on the Audited Financial Statements of the Company which were audited by previous auditors and whose Auditors' report has been relied upon by us for the said years and for the year ended March 31, 2009 and nine months period ended December 31, 2009 examined by us as set out in Annexure I, II and III of this report are after making such adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statement as set out in Annexure IV to the report *except to the extent stated in paragraph 5 below*.

b) Based on the above and also as per the reliance place by us on the Audited Financial Statements of the Company which were audited by previous auditors and the Auditors' reports for the years ended March 31, 2008, 2007, 2006 and 2005. We confirm that:

- the Restated Summary Statements have been made after incorporating:
  - The impact arising on account of changes in accounting policies from those adopted by the Company for the nine months period ended December 31, 2009 has been adjusted with retrospective effect in the attached Restated Summary Statements;
  - The impact of adjustments for material amounts relating to previous years, which have been adjusted in the Restated Summary Statements in the years/periods to which they relate *except to the extent stated in paragraph 5 below*; and

- There are no extraordinary items, which need to be disclosed separately in the Restated Summary Statements and qualifications in auditor's report requiring adjustments *except to the extent stated in paragraph 5 below*.

5. We draw attention to Note 6a of Annexure IV regarding certain documents of the Company detained by the Sales Tax Authorities in the year ended March 31, 2009 for investigations. The management has informed us that the authorities till date have not returned these documents to the Company. In the absence of records detained by Sales Tax Authorities, we are unable to comment upon the impact, if any, on these restated summary statements. The auditors' reports on the financial statements for the year ended March 31, 2009 and for the nine month period ended December 31, 2009 were also qualified for the same matter.

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2009. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to December 31, 2009.

Other Financial Information:

7. At the Company's request, we have also examined the following financial information of the Company proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, for the nine months ended December 31, 2009 and for the financial years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005.. In respect of the years ended March 31, 2008, 2007, 2006 and 2005 this information have been included based on the Audited Financial Statements of the Company which were audited by previous auditors and whose auditors' reports have been relied upon by us for the said years:

i. Restated statement of Related Party Transactions, enclosed as Annexure V
ii. Restated statement of Loans and Advances, enclosed as Annexure VI
iii. Restated statement of Sundry Debtors, enclosed as Annexure VII
iv. Restated statement of Investments, enclosed as Annexure VIII

v. Statement of Accounting Ratios based on the adjusted profits relating to earnings per share, net asset value per equity share, return on net worth, enclosed as Annexure IX
vi. Restated statement of Secured Loans and Unsecured Loans and assets charged as securities against Secured Loans, enclosed as Annexure X
vii. Restated statement of items of Other Income, enclosed as Annexure XI
viii. Statement of Dividend Paid, enclosed as Annexure XII
ix. Capitalization Statement as at December 31, 2009, enclosed as Annexure XIII
x. Statement of Tax Shelters, enclosed as Annexure XIV

8. In our opinion, the "Other financial information" as disclosed in the annexures to this report as referred to above, read with the respective significant accounting policies and notes to Restated Summary Statements as set out in Annexure IV, and also as per the reliance placed by us on the Audited Financial Statements of the Company and on the Auditors' reports for the years ended March 31, 2008, 2007, 2006 and 2005 which were audited by previous auditors, as stated above, and prepared after making adjustments and re-groupings as considered appropriate, have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines *except to the extent stated in paragraph 5 above*.

9. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per Rajiv Goyal
Partner
Membership No: 94549

Place: Gurgaon
Date: April 9, 2010

RESTATED FINANCIAL INFORMATION FOR SHIRDI INDUSTRIES LIMITED

RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AS OF DECEMBER 31, 2009, MARCH 31, 2009, 2008, 2007, 2006, AND 2005, PROFITS AND LOSSES FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2009 AND THE YEARS ENDED MARCH 31, 2009, 2008, 2007, 2006, AND 2005 AND CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2009 AND THE YEARS ENDED, MARCH 31, 2009, 2008, 2007, 2006 AND 2005.

Annexure I – Restated Summary Statement of Assets and Liabilities

(Rs in Millions)

Particulars	**As at December 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Fixed Assets:						
Gross Block	2,130.07	2,024.46	1,259.01	1,311.53	94.24	89.11
Less : Depreciation	397.22	260.62	118.42	11.42	4.27	3.13
Net Block	**1,732.85**	**1,763.84**	**1,140.59**	**1,300.11**	**89.97**	**85.98**
Capital work in progress	15.48	24.04	154.91	-	429.31	9.75
Net Fixed Assets	**1,748.33**	**1,787.88**	**1,295.50**	**1,300.11**	**519.28**	**95.73**
Investment	**1.89**	**124.08**	**124.08**	**13.08**	**13.08**	**16.21**
Deferred Tax Assets (Net)	**-**	**-**	**-**	**-**	**0.27**	**0.34**
Foreign Currency Translation Reserve	**1.73**	**-**	**-**	**-**	**-**	**-**
Current Assets, Loans and Advances:						
Inventories	747.70	569.69	322.63	126.11	42.69	32.00
Sundry Debtors	976.18	554.36	607.66	392.40	40.08	11.65
Cash and Bank Balances	33.46	23.95	43.09	36.64	80.24	60.07
Loans and Advances	298.60	249.57	226.07	241.77	269.47	105.79
Total	**2,055.94**	**1,397.57**	**1,199.45**	**796.92**	**432.48**	**209.51**
Liabilities and Provisions:						
Secured Loans	1,925.35	1,950.56	1,515.60	801.47	320.17	50.57
Unsecured Loans	191.50	77.43	138.58	148.09	57.59	47.38
Current Liabilities and Provisions	663.69	429.03	276.84	590.40	274.35	65.60
Total	**2,780.54**	**2,457.02**	**1,931.02**	**1,539.96**	**652.11**	**163.55**
Deferred Tax Liabilities (net)	**63.25**	**46.04**	**41.57**	**26.30**	**-**	**-**
Net worth	**964.10**	**806.47**	**646.44**	**543.85**	**313.00**	**158.24**
Represented by						
1. Share Capital	177.51	177.51	173.07	194.41	184.41	163.07
2. Share application money pending allotment.	-	-	74.00	24.00	-	-
3. Reserves (Share Premium & General Reserves)	265.63	265.63	196.06	289.62	144.62	46.07
Add : Profit and Loss Account credit balance	520.96	363.33	203.31	35.82	-	-
Less : Profit and Loss Account debit balance	-	-	-	-	16.03	50.90
Net worth	**964.10**	**806.47**	**646.44**	**543.85**	**313.00**	**158.24**

The above statement should be read with the Notes to the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows of Shirdi Industries Limited, as restated appearing in Annexure IV

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

For and on behalf of Board of
Shirdi Industries Limited

per Rajiv Goyal

Rakesh Kumar Agarwal

Sarvesh Agarwal

Partner Membership No.:94549	[Managing Director]	[Director]

Place : Gurgaon

Date: April 9, 2010

Annexure II – Restated Summary Statement of Profit and Loss Account

(Rs in Million)

Particulars	**Nine Month Period ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Income						
Sales (Gross)						
Of products manufactured	1,323.99	1,719.50	1,216.97	24.12	295.91	63.36
Of products traded (including advance Licenses)	453.79	485.27	924.24	797.77	211.20	327.41
Consultancy Income	-	-	-	29.26	10.30	12.55
Less : Excise	0.06	-	-	-	-	-
Less : Discounts	18.32	46.78	15.92	0.72	-	-
Sales (Net)	**1,759.40**	**2,157.99**	**2,125.29**	**850.43**	**517.41**	**403.32**
Other income	9.09	19.76	6.33	3.04	10.58	0.37
Total Income	**1,768.49**	**2,177.75**	**2,131.62**	**853.47**	**527.99**	**403.69**
Expenditure						
Raw Materials consumed	429.15	793.39	537.72	37.93	231.02	82.24
Purchase of traded products	445.88	456.11	886.58	672.25	210.74	286.63
Staff Costs	70.40	93.92	56.26	8.01	5.30	4.27
Manufacturing and other expenses	300.46	388.14	341.57	51.12	23.85	56.35
Loss on Fixed Assets Discarded/ Sold	-	-	1.50	-	-	-
Finance Charges	185.39	199.46	154.76	12.54	6.32	3.11
Depreciation/Amortization	136.60	142.20	107.00	7.14	1.15	0.26
Decrease/(Increase) in inventories	25.69	(58.78)	(138.82)	(20.41)	(10.68)	(9.68)
Total Expenditure	**1,593.57**	**2,014.44**	**1,946.57**	**768.58**	**467.70**	**423.18**
Net Profit/(Loss) before tax and extraordinary items	**174.92**	**163.31**	**185.05**	**84.89**	**60.29**	**(19.49)**
Taxation	17.29	3.29	17.56	28.04	20.43	7.33
Net Profit/(Loss) after tax and extraordinary items	**157.63**	**160.02**	**167.49**	**56.85**	**39.86**	**(26.82)**
Balance brought forward from previous years as restated	363.33	203.31	35.82	(16.03)	(50.89)	(21.07)
Appropriation to General Reserve	-	-	-	5.00	5.00	3.00
Balance carried forward as restated	**520.96**	**363.33**	**203.31**	**35.82**	**(16.03)**	**(50.89)**

The above statement should be read with the Notes to the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows of Shirdi Industries Limited, as restated appearing in Annexure IV

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

For and on behalf of Board of
Shirdi Industries Limited

per Rajiv Goyal
Partner
Membership No.:94549

Rakesh Kumar Agarwal
[Managing Director]

Sarvesh Agarwal
[Director]

Place : Gurgaon
Date: April 9, 2010

Annexure III – Restated Summary Statement of Cash Flows **(Rs. In Millions)**

	Particulars	For the Period Ended December 31, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005
A)	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net Profit/(Loss) before Tax	**174.92**	**163.31**	**185.05**	**84.89**	**60.29**	**(19.49)**
	Adjustments for:						
	Depreciation	136.60	142.20	107.00	7.14	1.15	0.26
	Provision for doubtful debts and advances	-	11.93	6.78	1.95	2.70	40.77
	Share of profit from Partnership Firm	(0.43)					
	Profit on Sale of Investments	(4.96)					
	Loss on Fixed Assets Discarded/ Sold	-	-	1.50	-	-	-
	Provisions no longer required written back	(2.39)	-	(2.22)	-	-	-
	Interest Income	(1.12)	(12.09)	(1.84)	(2.30)	(6.02)	(0.37)
	Interest Expenses	179.10	193.55	145.40	11.97	5.82	2.94
	Operating Profit before Working Capital Changes	**481.72**	**498.90**	**441.67**	**103.65**	**63.94**	**24.11**
	Adjustments for :						
	(Increase)/Decrease in Sundry Debtors	(421.82)	41.38	(222.04)	(354.27)	(31.14)	6.30
	(Increase)/Decrease in Loans and Advances	(21.32)	(2.30)	23.79	40.35	(163.68)	(97.27)
	(Increase)/Decrease in Inventories	(178.02)	(247.06)	(196.51)	(83.43)	(10.68)	(9.68)
	Increase/(Decrease) in Current Liabilities and Provisions	217.38	136.44	(320.77)	328.27	195.46	35.12
	Cash generated from (used in) Operating Activities	**77.94**	**427.36**	**(273.86)**	**34.56**	**53.90**	**(41.42)**
	Direct Taxes Paid	(7.95)	(4.27)	(2.46)	(26.34)	(7.06)	(2.88)
	Net Cash from (used in) Operating Activities	**69.99**	**423.09**	**(276.32)**	**8.23**	**46.84**	**(44.30)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of Fixed Assets	(109.18)	(634.58)	(217.28)	(787.95)	(424.73)	(19.74)
	Proceeds from Sale/(Purchase) of Investments	127.57	-	(111.00)	-	3.13	4.52
	Deposits (with maturity more than three months)	(3.65)	(17.58)	(0.99)	(0.82)	-	-
	Interest received	1.12	12.09	1.84	2.30	6.02	0.37
	Net Cash from (used in) Investing Activities	**15.86**	**(640.07)**	**(327.43)**	**(786.47)**	**(415.58)**	**(14.85)**
C)	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from Issue of Share Capital (including Share Premium & Share Application)	-	-	50.00	174.00	114.89	54.00
	Proceeds of Long Term Borrowings	(72.37)	277.39	202.22	471.08	269.60	11.80
	Proceeds from unsecured loans	114.06	(61.15)	(9.52)	90.50	10.23	47.36
	Working Capital Finance	54.67	144.98	509.91	10.21	-	-

	Particulars	For the Period Ended December 31, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Year Ended March 31, 2005
	Interest Paid	(176.36)	(180.94)	(143.41)	(11.97)	(5.82)	(2.94)
	Net Cash from / (used in) Financing Activities	**(80.00)**	**180.28**	**609.20**	**733.82**	**388.87**	**110.22**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**5.85**	**(36.70)**	**5.45**	**(44.42)**	**20.17**	**51.07**
	Cash and Cash Equivalents as at beginning of the Year/ period	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**	**9.00**
	Cash and Cash Equivalents as at end of the Year/ period	**10.42**	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**
	Cash and Cash Equivalents include:						
	Cash-in-Hand	3.27	0.60	3.64	10.62	11.96	4.78
	Balances with Scheduled Banks in						
	-Current Accounts	4.91	0.54	35.85	3.56	16.56	18.98
	-Deposit account	25.28	20.03	1.81	0.82	51.72	36.32
	-Margin Money	-	2.78	1.79	21.64	-	-
	Total	**33.46**	**23.95**	**43.09**	**36.64**	**80.24**	**60.07**
	Less: - Fixed deposits not considered as cash equivalents	23.04	19.38	1.82	0.82	-	-
	Cash & Cash Equivalents in Cash Flow Statement	**10.42**	**4.57**	**41.27**	**35.82**	**80.24**	**60.07**

The above statement should be read with the Notes to the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows of Shirdi Industries Limited as restated appearing in Annexure IV

For S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

For and on behalf of Board of
Shirdi Industries Limited

per Rajiv Goyal
Partner
Membership No.: 94549

Rakesh Kumar Agarwal
[Managing Director]

Sarvesh Agarwal
[Director]

Place : Gurgaon
Date: April 9, 2010

ANNEXURE IV – NOTES TO RESTATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED OF SHIRDI INDUSTRIES LIMITED

1. Nature of Operations

Shirdi Industries Limited (the Company) is a manufacturer of Plain & Pre-laminated Particle Boards, Plain & Pre-laminated MDF Boards, Decorative Laminates, Laminated Floorings, Doors & Door skins, Furniture and Furniture Components which are used by corporate and house hold consumers for interior furnishing. The Company is also engaged in trading of steel, chemical and transferable import licenses.

The Restated Summary Statements have been prepared specifically in connection with the inclusion in offer document for proposed offering of equity shares of the Company.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows have been prepared by applying the necessary adjustments to the financial statements of the Company. These financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Restated Summary Statements comply in all material respects with the requirements of:

i) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956.

ii) and Stock Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 issued by Securities and Exchange Board of India (SEBI') on September 3, 2009, as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. It includes excise duty and discounts but excludes value added tax / sales tax and is net of returns. Excise duty shown as deduction from revenue is the amount that is included in the amount of revenue and not the entire amount of liability that arose during the year.

Sale of Licenses

Revenue from sale of licenses is recognised when the entitlement for license is endorsed in the name of the importer. It excludes value added tax / sales tax.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Fixed Assets

Fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any, and include all other incidental expenses thereto. Cost comprises the purchase price and any attributable cost such as duties, freight, erection and commissioning and installation expenses incurred in bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

In respect of accounting periods commencing on or after 7th December, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc of the leasehold premises.

(e) Depreciation

Depreciation on Fixed Assets is provided pro-rata from the date of addition using the Straight Line Method each at the rates based upon useful life of the assets estimated by the management, which are equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956 except:-

Type of Asset	Rate of Depreciation
i) Lease hold land	Over the period of lease
ii) Leasehold improvement	Over the period of lease or useful life whichever is lower

(f) Intangible assets

Computer Software
Costs relating to Computer Software are capitalised and amortized on a straight-line basis over useful life of six years.

(g) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(h) Leases

Where the Company is the lessee
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(i) Inventories
Inventories are valued as follows:

Raw materials, stores and spare parts	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.
Work-in-progress	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity upto the stage of completion of the process.
Finished goods (manufactured)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity and excise duty.
Finished goods (traded)	At Weighted Average Cost or Net Realizable Value, whichever is lower
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs	

necessary to make the sale.

(j) Foreign currency translation

Foreign currency transactions

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” in the enterprise’s financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

(d) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of Profit and Loss Account in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(k) Retirement and other employee benefits

(a) Provident Fund

Retirement benefits in the form of Provident Funds is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to Regional Provident Fund Commissioner. There are no other obligations other than the contribution payable.

(b) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation carried out by an independent actuary as per projected unit credit method as at the end of each financial year

(c) Leave Encashment

Short term compensated absences are provided for on based on estimates at cost to Company basis. Long term compensated absences are provided for based on actuarial valuation carried by an independent actuary as at the end of the year. The actuarial valuation is done as per projected unit credit method

(d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(l) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The deferred tax in respect of timing differences which originate during the tax holiday period and reverse during the tax holiday period, are not recognised to the extent the enterprise’s gross total income is subject to the deduction during the tax holiday period as per the requirements of the Act.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(m) Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(q) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

(r) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

3. Material Regroupings

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited condensed financials statements of the Company for the period ended Dec 31, 2009 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 and paragraph B (1) of Part II of Schedule II to the Companies Act, 1956.

4. Material Adjustments

Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profits / losses of the Company is as under:

(Rs. in Millions)

S.No	Particulars	Period ended Dec 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
	Net profit/(Loss) after tax and prior period items as per audited Profit and Loss Account	**146.23**	**172.85**	**75.23**	**75.09**	**44.61**	**12.97**
	Adjustments for :-						
A	Excess provisions / unclaimed balances written back (refer note a below)	(8.87)	6.38	1.88	0.73	-	-
B	Prior period items (refer note b below)	18.12	(18.12)	22.65	(22.65)	-	-
C	Provision for doubtful debts, advances and diminution in value of investments (refer note c below)	2.15	6.80	64.46	(1.94)	(2.70)	(40.78)

D	Retrospective application of revision in applicable Accounting Standards						
	i) AS – 15 Gratuity & Leave (refer note d (i) below)	-	-	-	(1.46)	(0.19)	(0.11)
	ii) Exchange Differences on Long Term Foreign Currency Monetary Items (refer note d (ii) below)	-	-	4.12	-	-	-
E	Retrospective application of change in method of depreciation from WDV to SLM (refer note e below)	-	-	-	(4.34)	1.11	0.89
F	Preliminary Expenses (w/off) (refer note f below)	-	-	2.14	0.89	(3.04)	0.17
G	MAT Credit (refer note g below)	-	(10.00)	-	10.00	-	-
H	Adjustments in deferred tax due to the above	-	2.11	(2.99)	0.53	0.07	0.04
	Total Adjustments	**11.40**	**(12.83)**	**92.26**	**(18.24)**	**(4.75)**	**(39.79)**
	Net profit/(Loss) as per restated summary statements	**157.63**	**160.02**	**167.49**	**56.85**	**39.86**	**(26.82)**

a) Excess Provisions/Unclaimed balances written back

In the audited condensed financial statements for the period ended December 31, 2009, certain liabilities created in earlier years were written back. For the purpose of this statement, such liabilities have been appropriately adjusted to the respective years in which the same were originally created.

b) Prior period items

In the audited condensed financial statements for the period ended December 31 2009 and audited financial statement for the year ended March 31, 2008 certain items of income / expenses were identified as prior period items. For the purpose of this statement, such prior period items have been appropriately adjusted to the respective years to which they relate.

c) Provision for Doubtful Debts, Advances and Diminution in the value of Investments.

In the audited condensed financial statements for the period ended December 31 2009 and audited financial statements for the years ended March 31, 2009 and 2008 certain provisions were made for bad and doubtful debts, diminution in value of investments and advances which pertained to earlier years. For the purpose of this statement, the said provisions, wherever required, have been appropriately adjusted to the respective years in which these debtors were accounted for.

Further, the credit balance in Profit and Loss account as at April 1, 2004 has been adjusted to reflect the impact of items pertaining prior to March 31, 2004

d) Retrospective application of revision in applicable Accounting Standards

(i) ***Revision in Accounting Standard - 15 - "Accounting for employee benefits"***

In accordance with the transitional provision of the Accounting Standard 15 Revised, the incremental liability of Rs 2.37 million for the period up to March 31, 2007 was debited to General Reserve Account as at April 1, 2007. For this restatement, the said liability has been adjusted in the respective years. Further, the credit balance in Profit and Loss account as at April 1, 2004 has been adjusted to reflect the impact of items pertaining year prior to March 31, 2004.

(ii) ***Exchange Differences on Long Term Foreign Currency Monetary Items***

Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, in year ended March 31, 2009 the Company has exercised the option of deferring the charge to the Profit and Loss Account arising on exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, on long-term foreign currency monetary items (i.e. monetary assets or liabilities expressed in foreign currency and having a term of 12 months or more at the date of origination). As a result in the year ended March 31, 2009, exchange differences, pertaining to accounting periods commencing on 1 April, 2007 and ending on 31 March, 2008 were credited to General Reserve Account as at April 1, 2008. For this restatement, the said liability has been adjusted in the respective years.

e) Change in method of Depreciation

In the year 2007 the Company has changed the method of charging depreciation on fixed assets from Written Down Value to Straight Line Method. Due this change in method the Company has credited Rs. 4.3 million to the Profit and Loss Account for the year ended March 31, 2007. For this restatement, the said adjustment has been made in the respective years. Further, the credit balance in Profit and Loss account as at April 1, 2004 has been adjusted to reflect the impact of items pertaining prior to March 31, 2004.

f) Miscellaneous Expenditure written off

In the audited financial statements for the periods ended March 2008, certain expenditures pertaining to earlier years were written off. For the purpose of this statement, such expenditure have been appropriately adjusted to respective expense head in the respective years in which the same were originally created. Further, the credit balance in Profit and Loss Account as at April 1, 2004 has been adjusted to reflect the impact of items pertaining prior to March 31, 2004.

g) MAT Credit Entitlement

In the audited financial statements for the period ended March 2009, the Company has claimed MAT credit entitlement for the year ended March 31, 2007, based on revised Income Tax return filed by the Company with Income Tax Authorities. For the purpose of this statement, such adjustments have been appropriately adjusted to the respective year to which the same pertains.

5. Reconciliation of Profit and Loss account as at April 1, 2004

Particulars	**Amount (Rs in Millions)**
Profit and Loss account balance as at April 1, 2004, as per audited financial statements	**4.77**
Provision for doubtful debts, advances and diminution in value of investments (refer note c below)	(27.63)
Adjustments due to retrospective application of accounting standard AS-15	(0.61)
Difference in Accumulated Depreciation due to change in Method from WDV to SLM	2.35
Preliminary Expenses (w/off)	(0.17)
Adjustments in deferred tax	0.22
Profit and Loss account balance as at April 1, 2004, as restated	**(21.07)**

6. Non – Adjustment Items

a. Auditor's have given Disclaimer of Opinion due to scope limitation in the Audit Reports for the year ended March 31, 2009 and nine months period ended December 31, 2009 due to the following reason.

During the year ended March 31, 2009, Sales Tax Authorities have carried out investigation at two offices of the Company situated in Mumbai. During the course of investigation, the authorities have detained certain documents of the Company for the year ended March 31, 2009, for further investigations which have not been returned by the department till date.

The Department has not issued/raised any demand/show cause notice till date in respect of this investigation. However, Company is confident that this investigation being of a routine nature shall have no material impact on these financial statements. All the transactions contained in the documents detained by the Sales Tax Authorities were duly accounted for in normal course and no significant impact is expected due to their non availability.
Since these documents are not available with the Company, the management is unable to provide those to the Auditors for verification. The authorities have provided to the Company, a list of documents detained by them. As per that list, the management has identified that the documents detained by authorities primarily relate to fixed assets additions made by the Company during the year ended March 31, 2009. During the period ended 31st December 2009, based on that list provided to the Company by Sales Tax Authorities, management has initiated a process of arranging duplicate copies of all such invoices/documents from respective vendors. Till date, the Company has been able to collect a significant portion of such invoices/documents. Management believes that remaining invoices/documents will also be collected in the subsequent periods.

Also during the period ended 31st December 2009, the management has hired an independent agency to perform the physical verification of all the fixed assets lying with the Company as at March 31, 2009. As per the report, all the fixed assets are physically available with the Company.

b. Forfeiture of Equity Shares

In earlier years, the Company had received share application money of Rs. 50 million and Rs. 25 million from two parties (jointly as "Investors"). During the year ended March 31, 2009, the Company allotted partly paid shares against this share application money and called for the balance unpaid amount, the same investors did not pay the calls, the Company forfeited these partly paid shares as per the terms of the agreement.

c. Buy Back of equity shares

In earlier years, the Company had issued fully paid up equity shares, to a vendor as part consideration for the cost of machinery bought from that vendor.

In a subsequent year, the Company alleged that vendor did not provide the required technical support in the installation of machinery and demanded for compensation of loss. As a part of the settlement, the vendor agreed to surrender all the equity shares of the Company held by it at a nominal value of EURO 100.

During the year ended March 31, 2008, the Company bought back these equity shares and cancelled the same by reducing issued share capital by Rs. 21.34 million (2,134,000 share @ Rs 10 per Share), securities premium account by Rs.93.55 million (2,134,000 shares @ Rs 43.84 per share) and correspondingly reduced the gross block of the fixed asset by Rs.114 million.

d. The Audit Reports on the Audited Financial Statements for the years referred to below included, as an Annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2003, which were qualified for matters summarized as follows and which do not require any adjustment in these restated summary statements:

Year ended March 31, 2009

- Maintenance of records of plant and machinery for group of similar assets and not for each individual assets
- Need to enlarge the scope and coverage of the internal audit to be commensurate with the size and nature of its business
- Not regular in remittance of statutory dues and cases of serious delays in large number of cases
- Default in repayment of dues to banks

Year ended March 31, 2008:

- Maintenance of records of plant and machinery for group of similar assets and not for each individual assets
- Need to enlarge the scope and coverage of the internal audit to be commensurate with the size and nature of its business
- Not regular in remittance of statutory dues and cases of serious delays in large number of cases.

7. Segment Information

Business Segments:

The Company has chosen Business segments as its primary segments considering the dominant source and nature of risks and returns and the internal organisation and management structure.

A) Interior Furnishing :- Manufacture and sale of medium density fiber boards (MDF), particle boards, pre-laminated MDF and particle boards, laminates, furniture, flooring, door skins, panel doors and other allied products.

B) Industrial Commodities :- Trading of industrial commodities and transferable licenses.

Particulars	Interior Furnishing (Rs in Millions)						Industrial Commodities (Rs in Millions)						Others (Rs in Millions)						Consolidated (Rs in Millions)					
	Dec 09	2009	2008	2007	2006	2005	Dec 09	2009	2008	2007	2006	2005	Dec 09	2009	2008	2007	2006	2005	Dec 09	2009	2008	2007	2006	2005
REVENUE																								
External sales	1,305	1,673	1,202	23	296	64	454	485	923	798	211	327	-	-	-	-	-	-	1,759	2,158	2,125	821	507	391
Income from Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29	10	12	-	-	-	29	10	12
Other income	3	8	4	1	5	-	-	-	-	-	-	-	5	-	-	-	-	-	8	8	4	1	5	-
Total Revenue	**1,308**	**1,681**	**1,206**	**24**	**301**	**64**	**454**	**485**	**923**	**798**	**211**	**327**	**5**	**-**	**-**	**29**	**10**	**12**	**1,767**	**2,166**	**2,129**	**851**	**522**	**403**
RESULT																								
Segment Result	**350**	**352**	**344**	**64**	**(2)**	**(35)**	**6**	**(2)**	**(6)**	**13**	**55**	**10**	**3**	**-**	**-**	**20**	**7**	**8**	**359**	**350**	**338**	**97**	**60**	**(17)**
Unallocated corporate expenses																								
Operating profit																			359	350	338	97	60	(17)
Interest & Finance charges																			185	199	155	13	6	3
Interest Income																			1	12	2	2	6	-
Income taxes																								
Current Tax																			-	-	-	-	20	7
Deferred Tax																			17	1	15	27	0	0
Fringe Benefit Tax																			-	2	3	1	-	-
Wealth Tax																			-	-	-	-	-	-
Net profit (loss)																			**158**	**160**	**167**	**58**	**40**	**(27)**
OTHER INFORMATION																								
Segment assets	3,329	2,900	2,106	1,544	834	280	304	147	333	486	95	1	-	-	-	21	8	9	3,633	3,047	2,439	2,051	937	290
Unallocated corporate assets																			175	262	181	59	28	32
Segment liabilities	422	365	245	555	266	108	159	22	12	25	3	1	-	-	-	-	-	-	581	387	257	580	269	109
Unallocated corporate liabilities																			3,228	2,922	2,362	1,530	728	315
Capital expenditures	97	635	102	788	425	20	-	-	-	-	-	-	-	-	-	-	-	-	97	635	102	788	425	20
Depreciation	137	142	107	7	1	0	-	-	-	-	-	-	-	-	-	-	-	-	137	142	107	7	1	-

Geographical Segments

Although all the assets of company are located in India, the Company based on customer location has identified two geographical segments as domestic market and export market.

The following tables present revenue and profit information regarding geographical segments for the period ended December 31, 2009, year ended March 31, 2009, 2008, 2007, 2006 and 2005 and certain asset regarding geographical segments as at December 31, 2009, March 31, 2009, 2008, 2007, 2006 and 2005.

The following table shows the distribution of the Company's consolidated revenue by geographical market, regardless of where the goods were produced:

(Rs in Millions)

Revenue by Geographical Market	**Period ended Dec 31st, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
India	1,732	2,054	2,124	850	517	403
Outside India	27	104	2	-	-	-
Total	**1,759**	**2,158**	**2,126**	**850**	**517**	**403**

The following table shows the carrying amount of segment assets by geographical markets.

(Rs in Millions)

Sundry Debtors	**As at Dec 31st, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Domestic Market	949	507	608	392	40	12
Overseas Markets	27	48	-	-	-	-
Total	**976**	**554**	**608**	**392**	**40**	**12**

Note:- Except as disclosed above, the Company has common assets and liabilities for domestic market as well as overseas markets . Hence, separate figures for assets and liabilities have not been furnished.

8. **Contingent Liabilities not provided for**

(Rs in Millions)

Particulars	**As at December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Corporate Guarantees given on behalf of others.	85.00	75.00	-	-	-	-
Obligations for Export Commitment under EPCG. (Refer note a below)	146.30	149.37	153.41	138.59	39.52	0.68
Obligation in respect of Advance License. Refer note b below)	5.37	-	4.53	4.53	-	-
Total	**236.67**	**224.37**	**157.94**	**143.12**	**39.52**	**0.68**

Note:-

a) The Company has imported Plant and Machinery under Export Promotion Capital Goods Scheme (EPCG) by availing concession on custom duty payable on such imports. According to this scheme, the Company can import capital goods at concessional rates of import duties, however it has to make exports equivalent to 8 times of the amount of duty saved. These exports have to be made within eight years from the date of import out of which 50% exports has to be made within six years. The management is confident that the same will be fulfilled within specified time period hence provision for the amount of duty saved is not required in the financial statements.

b) The Company imports certain raw material as duty free under Advance License scheme. As per this scheme the Company has to export finished goods equivalent to the consumption of duty free raw material imported. The management of is confident that the same will be fulfilled within specified time period i.e. till December 4, 2011. As of December 31, 2009, the Company is carrying the stock of raw materials imported under Advance License scheme and where the export obligation is to be fulfilled.

9. **Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The defined benefit obligation for gratuity is unfunded.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

(Rs in Millions)

	Period ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Current service cost	2.13	1.28	0.77	0.15	0.08	0.07
Interest cost on benefit obligation	0.30	0.18	0.10	0.07	0.05	0.05
Expected return on plan assets	-	-	-	-	-	-
Net actuarial(gain) / loss recognised in the year	0.12	1.38	0.25	0.12	0.05	(0.04)
Past service cost	-	-	-	-	-	-
Net benefit expense	2.55	2.84	1.12	0.34	0.18	0.08
Actual return on plan assets	-	-	-	-	-	-

Balance sheet

Details of Provision for gratuity

(Rs in Millions)

	Period ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Defined benefit obligation	7.69	5.14	2.30	1.19	0.85	0.67
Fair value of plan assets	-	-	-	-	-	-
Net	7.69	5.14	2.30	1.19	0.85	0.67
Less: Unrecognised past service cost	-	-	-	-	-	-
Plan asset / (liability)	(7.69)	(5.14)	(2.30)	(1.19)	(0.85)	(0.67)

Changes in the present value of the defined benefit obligation are as follows:

(Rs in Millions)

	Period ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Opening defined benefit obligation	5.14	2.30	1.19	0.85	0.67	0.59
Interest cost	0.30	0.18	0.10	0.07	0.05	0.05
Current service cost	2.13	1.28	0.76	0.15	0.08	0.07
Benefits paid	-	-	-	-	-	-
Actuarial (gains) / losses on obligation	0.12	1.38	0.25	0.12	0.05	(0.04)
Closing defined benefit	7.69	5.14	2.30	1.19	0.85	0.67

obligation						
Experience adjustments on plan liabilities (Loss)/Gain	-	-	-	-	-	-

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	**Period ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
	%	%	%	%	%	%
Discount rate	8.25%	7.75%	8.00%	8.00%	8.00%	8.00%
Salary increases	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Retirement Age	58 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Withdrawal Rate (%)	1% at each stage	1% at each stage	1% at each stage	1% at each stage	1% at each stage	1% at each stage

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

10. Borrowing Cost Capitalised.

The Company has capitalised following interest cost in the respective years, in accordance with Accounting Standard 16 on Borrowing cost.

(Rs in Millions)

Nature of Expenditure	**Period ended Dec 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Interest capitalised on fixed assets	5.26	23.13	7.43	54.62	9.99	-
TOTAL	**5.26**	**23.13**	**7.43**	**54.62**	**9.99**	**-**

11. Un-hedged Foreign Currency Exposure

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

Sundry Debtors

Year	**Currency**	**Amount in respective Currency**	**Exchange Rate**	**Amount (Rs in Millions)**
As at 31st Dec 2009	USD	587,147	46.21	27.13
As at 31st March 2009	USD	946,215	50.53	47.81
As at 31st March 2008	-	-	-	-
As at 31st March 2007	-	-	-	-
As at 31st March 2006	-	-	-	-
As at 31st March 2005	-	-	-	-

Sundry Creditors

Year	**Currency**	**Amount in respective Currency**	**Exchange Rate**	**Amount (Rs in Millions)**
As at 31 Dec 2009	EURO USD	373,501 17,193	67.97 47.12	25.20 0.81
As at 31t March 2009	EURO USD	401,482 12,234	68.43 51.45	27.47 0.63
As at 31 March 2008	-	-	-	-

As at 31 March 2007	-	-	-	-
As at 31 March 2006	-	-	-	-
As at 31 March 2005	-	-	-	-

Foreign Currency Term Loan

Year	Currency	Amount in respective Currency	Exchange Rate	Amount (Rs in Millions)
As at 31 Dec 2009	USD	3,492,858	47.12	164.58
As at 31 March 2009	USD	3,619,468	51.95	184.41
As at 31March 2008	USD	5,104,682	41.11	209.85
As at 31 March 2007	-	-	-	-
As at 31 March 2006	-	-	-	-
As at 31st March 2005	-	-	-	-

Hedged foreign Currency Exposure as at the Balance Sheet date

Secured Loans

Year	Currency	Amount in respective Currency	Exchange Rate	Amount (Rs in Millions)
As at 31 Dec 2009	USD	6,462,732	47.12	304.52
As at 31 March 2009	USD	946,215	50.53	47.81
As at 31 March 2008	-	-	-	-
As at 31 March 2007	-	-	-	-
As at 31 March 2006	-	-	-	-
As at 31 March 2005	-	-	-	-

12. Additional Information

a. Earnings in foreign currency (on accrual basis) **(Rs in Millions)**

Particulars	Period ended Dec 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Exports at F.O.B. Value	27.33	97.31	1.58	12.54	-	-
Total	**27.33**	**97.31**	**1.58**	**12.54**	**-**	**-**

b. Expenditure in foreign currency (on accrual basis) **(Rs in Millions)**

Particulars	Period ended Dec 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Travelling	0.15	0.57	1.73	0.78	-	-
Interest	10.82	-	5.28	-	-	-
Total	**10.97**	**0.57**	**7.01**	**0.78**	**-**	**-**

c. CIF value of imports (on accrual basis) **(Rs in Millions)**

Value of imports calculated on CIF basis (on accrual basis)	Period ended Dec 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Raw materials	91.51	98.63	64.59	106.84	98.96	27.25
Capital goods	6.15	41.73	23.44	240.60	-	-
Finished Goods	12.33	-	-	-	-	-
Total	**109.99**	**140.36**	**88.03**	**347.44**	**98.96**	**27.25**

13. Additional information

(a) Licensed Capacity, Installed Capacity and Actual Production (as certified by the management)

	Licensed Capacity			Installed Capacity			Actual Production		
Class of Goods	Plain and Pre-laminated Boards	Decorative Laminates	Furniture	Plain and Pre-laminated Boards	Decorative Laminates	Furniture	Plain and Pre-laminated Boards	Decorative Laminates	Furniture*
	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.	SqM.
31-Dec-09	50,881,000	18,800,000	-	14,253,198	10,800,000	11,711,494	4,020,063	2,560,203	-
31-Mar-09	38,690,000	13,700,000	-	13,058,405	3,600,000	5,285,120	5,583,752	2,641,709	-
31-Mar-08	13,690,000	10,600,000	-	13,058,405	3,600,000		6,085,994	1,560,968	-
31-Mar-07	13,690,000	5,500,000	-	13,058,405	3,600,000		139,502	8,629	
31-Mar-06	-	-	96,000	-	-	96,000	-	-	-
31-Mar-05	-	-	96,000	-	-	96,000	-	-	-

(b) Details of Opening, Production and Sale of Manufactured Goods

(Rs in Millions)

		Opening Stock					Sales					Closing				
Class of Goods		Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**	Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**	Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**
		SqM.	**SqM.**				**SqM.**	**SqM.**				**SqM.**	**SqM.**			
31-Dec-09	**Qty**	805,547	431,583	-	-		4,091,817	2,522,958	-	-		733,793	468,828	-	-	
	Value	101	47	-	106	**254**	964	259	-	101	**1,324**	116	39	-	72	**227**
31-Mar-09	**Qty**	392,943	217,685	-	-		5,171,148	2,427,811	-	-		805,547	431,583	-	-	
	Value	113	34	-	15	**162**	1,241	465	13	-	**1,719**	101	47	-	106	**254**
31-Mar-08	**Qty**	37,255	651	-	-		3,965,196	1,296,145	-	-		392,943	217,685	-		
	Value	15	-	-	16	**31**	979	239	-	-	**1,218**	113	34	-	15	**162**
31-Mar-	**Qty**	-	-	-	-		102,247	7,978	-	-		37,255	651	-	-	

		Opening Stock					**Sales**					**Closing**				
Class of Goods		Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**	Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**	Plain and Pre-laminated Boards	Decorative Laminates	Furniture *	Others	**Total**
07																
	Value	-	-	-	42	**42**	23	1	-	-	**24**	15	-	-	16	**31**
31-Mar-06	**Qty**	-	-	-	-		-	-	-			-	-	-	-	
	Value	-	-	-	31	**31**	-	-	-	296	**296**	-	-	-	42	**42**
31-Mar-05	**Qty**	-	-	-	-		-	-	-			-	-	-		
	Value	-	-	-	10	**10**	-	-	-	63	**63**	-	-	-	31	**31**

* Furniture consist of various combinations of products with various specifications, therefore it’s not practical to provide the quantitative information.

Details of Opening, Production and Sale of Traded Goods

(Rs in Millions)

		Opening Stock					**Purchases**					**Sales**					**Closing**				
Class of Goods		Steel	Chemicals	Timber	Others**	**Total**	Steel	Chemicals	Timber	Others **	**Total**	Steel	Chemicals	Timber	Others **	**Total**	Steel	Chemicals	Timber	Others **	**Total**
31-Dec-09	**Qty**	-	-	-	-		-	272,581	-	-		-	272,581	-	-		-	-	-	-	
	Value	-	-	-	-	**-**	-	303	-	143	**446**	-	303		151	**454**	-	-	-	-	**-**
31-Mar-09	**Qty**	-	-	-	-		-	693,348	-	-		-	693,348	-	-		-	-	-	-	
	Value	-	-	-	9	**9**		446		10	**456**	-	445	-	40	**485**	-	-	-	-	**-**
31-Mar-08	**Qty**	-	-	-	-		27,223	-	-	-		27,223	-	-	-		-	-	-	-	
	Value	-	-	-	31	**31**	887	-	-	-	**887**	887	-	-	36	**923**	-	-	-	9	**9**
31-Mar-07	**Qty**	-	-	-	-		11,983	-	-	-		11,983	-	-	-		-	-	-	-	
	Value	-	-	-	1	**1**	335	-	-	337	**672**	335			463	**798**	-	-	-	31	**31**
31-Mar-06	**Qty**						7,304	-	-	-		7,304	-	-			-	-	-	-	
	Value	-	-	-	1	**1**	200	-	-	11	**211**	200	-	-	11	**211**	-	-	-	1	**1**
31-Mar-05	**Qty**						13,677	-	-	-		13,677	-	-	-		-	-	-	-	
	Value	-	-	-	12	**12**	275	-	-	12	**287**	275	-	-	52	**327**	-	-	-	1	**1**

** Includes advance licenses also.

(c) Consumption of raw materials and packing material

		Quantity						Value (Rs in Millions)					
	Unit	Period ended Dec 31st, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Period ended Dec 31st, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Wood	MT	87,351	110,061	100,933	7,622	-	-	250	273	204	14	-	-
Paper #	MT	2,721	6,340	5,186	113	-	-	36	158	146	12	-	-
Doors & Door skin	PCS	-	-	-	-	71,019	40,242	-	-	-	-	34	15
PVC	Mtrs	-	-	-	-	78,167	64,731	-	-	-	-	9	8
Others (including Chemicals) *	MT							143	362	188	12	188	59
TOTAL								**429**	**793**	**538**	**38**	**231**	**82**

includes paper used for packaging
*In view of large number of items it is not practicable to furnish quantitative information in respect of other items of raw material. However, none of the individual items are greater than 10% of total consumption

(d) Imported and indigenous raw materials

	Percentage of total consumption						Value (Rs in Millions.)					
	Period ended Dec 31st, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005	Period ended Dec 31st, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 200
Indigenously obtained	87%	88%	86%	85%	76%	67%	372	695	463	32	176	55
Imported	13%	12%	14%	15%	24%	33%	57	98	75	6	55	27
Total							**429**	**793**	**538**	**38**	**231**	**82**

14. Earnings per share (EPS)

Particulars	Period ended Dec 31st, 2009 (not annualised)	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Net Profit /(Loss) after extraordinary items for calculation of Basic and Diluted Earnings (Loss) per Share	157.63	160.02	167.49	56.85	39.86	(26.82)
Weighted average number of equity shares in calculating basic EPS	17,306,580	17,306,580	19,253,490	19,440,580	17,360,624	14,664,388
Weighted average number of equity shares in calculating diluted EPS	17,306,580	17,306,580	19,730,841	19,460,708	17,360,624	14,664,388
Basic Earnings after extraordinary items (loss) Per Share(Rs.)	9.11	9.25	8.70	2.92	2.30	(1.83)
Diluted Earnings after extraordinary items (loss) Per Share(Rs.)	9.11	9.25	8.49	2.92	2.30	(1.83)

15. During the period ended December 31, 2009, the Company has received approval for restructuring of repayment schedule of outstanding term loans along with interest, wherever applicable, on the date of restructuring amounting to Rs.1,098.59 million from the consortium of bankers. Accordingly, the Company has been given moratorium period up-to 31st March 2011 towards repayment of restructured amount of term loan and thereafter the repayment is required to be made in 96 equal installments, commencing from April 2011.

16. In an earlier year, the Company has paid an advance of Rs.72.40 million to a vendor for identifying suitable location for opening of new stores in different parts of the Country. During the period ended 31st December 2009, the vendor has confirmed that they will not be able to provide the above services and the amount taken as an advance will be refunded back to the Company by September 2010. The management is confident that the amount will be recovered in subsequent period, hence the same has been considered as good for recovery as at December 31, 2009. Out of above, amount the Company has already received Rs.20.00 million subsequent to 31 December 2009.

17. During the year ended 31st March 2008, the Company has entered into an partnership agreement with S N Sales Corporation [“Firm”] for 49% partnership share in the Firm.
The name of partners and their profit/loss sharing ratio in the partnership firm was as under:

Name of Partners	Profit / Loss Sharing Ratio
Shirdi Industries Limited	49%
Indo-British Engineering Company Private Limited	40%
Ranjana Goel	9%
Sarvesh Agarwal	2%

On April 30, 2009, the Company has retired from a partnership firm S.N.Sales Corporation wherein the Company was holding 49% share as partner. As per the retirement deed, the Company has received back the amount invested in that firm.

18. In year ended March 31, 2008, the Company has invested Rs.100 million in Asis Logistics Limited [ASIS] [a company under the same management] for acquiring 666,670 fully paid up equity shares of Rs. 10 each at the premium of Rs.140. The purchase price per equity share of Rs.150 was arrived as per the fair valuation of ASIS done by an independent valuer.

During the period ended December 31, 2009 the Company has sold this investment at a consideration of Rs.140.63 per equity share based on fair valuation report of a category-I merchant banker. The Company has sold these shares to other companies under the same management. Refer Annexure V (b) (iii).

19. Leases

For assets taken on Lease

a) The Company has taken various offices and godown premises under operating lease agreements. These are generally not ‘non-cancelable’ and are renewable by mutual consent on mutually agreed terms.

b) The aggregate lease rentals payable are charged as rent.

20. The Company has a manufacturing plant at Pantnagar which qualifies for Clean Development Mechanism (CDM) and Voluntary Carbon Standards (VCS) credits. The plant is entitled to generate 82,000 Nos. of CDM and VCS credits per year. As per the current applicable procedure, the Company is entitled for VCS credit for a period of 30 years and CDM credit for 10 years from the date of commencement of plant i.e. from February 2007. Pending registration for both these entitlements which is currently under progress, the Company has not accounted for income against these credits till date.

21. During the period ended March 31, 2009, interest and bank charges of Rs.22.09 million and Rs.7.94 million respectively was charged by banks in excess of the terms and conditions agreed with the respective bankers. Similarly during the period ended December 31, 2009, also interest of Rs. 25.02 million has been charged by banks in excess. Out of above, Rs.2.33 million were recovered by the Company during the period ended 31st December 2009 and the balance amount is yet to be recovered from the banks.

Annexure V - Restated statement of Related Party Transactions (As per Accounting Standard 18 - “Related Party Disclosures”)

Related Parties Disclosures

(a) List of related parties :

(i) Associates

Asis Industries Private Limited

(ii) Key Management Personnel

Mr. R.K.Agarwal	Managing Director
Mr. Sarvesh Agarwal	Whole-time Director
Mr B.V Rao	Whole-time Director w.e.f September 2009

(iii) List of Persons having controlling interest together with their relatives*

Key Management Personnel	Father	Mother	Wife	Brother
Mr. R.K.Agarwal	Mr. Hari Ram Agarwal	Mrs. Rukmani Agarwal	Mrs. Anu Agarwal	Mr. Mukesh Bansal Mr. Sarvesh Agarwal
Mr. Sarvesh Agarwal	Mr. Hari Ram Agarwal	Mrs. Rukmani Agarwal	Mrs. Asha Agarwal	Mr. Mukesh Bansal Mr. R.K.Agarwal

* Relatives holding Equity shares in the Company have been disclosed

(iv) Relatives of Key Management personnel having transactions with the Company

Mrs. Anu Agarwal, wife of Mr. R.K.Agarwal
Mrs. Asha Agarwal, wife of Mr. Sarvesh Agarwal
Mrs. Rukmani Agarwal, mother of Mr. R.K.Agarwal
Mr Hari Ram Agarwal, father of R.K.Agarwal
Mr Mukesh Bansal, brother of R.K.Agarwal

(v) Enterprises over which person(s) having controlling interest in Company / Key management personnel(s) along with their relatives are able to exercise significant influence (with whom transactions have entered):

Asis Global Limited
Asis Industries Private Limited
Asis Logistic Limited (formerly known as Asis Overseas Limited)
Asis Overseas (C & F) Private Limited
Dytel Finance & Investment Private Limited

Emeca Finance And Investment Pvt Ltd. (till 28 Feb 2009)
Labh Capital Service Private Limited
Manhar Properties Private Limited
Poona Pearls Biotek Limited
Poona Pearls Breeders Private Limited
Pratibha Finance & Investment Private Limited
Rachna Finance & Investment Private Limited
Repute Properties Private Limited
Sajal Finance & Investment Private Limited (till 09.02.2009)
S.N. Sales Corporation (A partnership firm) (from 1 Sep 2007 till April 30, 2009)
Swanbay Technologies Pvt. Ltd

(b) Material related party transactions (More than 10% of aggregate) with individual parties are as follows:

(i) Transactions with Key Management personnel **(Rs. in Millions)**

Particulars	**Period ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Managerial Remuneration						
Mr. R.K.Agarwal	2.00	2.40	0.42	0.42	0.45	0.36
Mr. Sarvesh Agarwal	2.00	2.40	0.42	0.62	0.77	0.72
Mr BV Rao	0.45	-	-	-	-	-
Loan Received						
Mr. R.K.Agarwal	-	0.55	-	-	-	-
Rental Services Availed						
Mr. R.K.Agarwal	0.05	0.60	-	-	-	-
Security Deposits given for lease of Office premises						
Mr. R.K.Agarwal	-	2.00	-	-	-	-

¶

(Rs in millions)

	Period ended December 31,	**Year ended March 31,**	**Year ended March 31,**	**Year ended March 31,**	**Year ended March 31,**	**Year ended March 31,**

	2009	2009	2008	2007	2006	2005
Year end Balances Receivable / (Payable)						
Mr. R.K.Agarwal	(.02)	(0.18)	-	(0.09)	-	(1.27)
Mr. Sarvesh Agarwal	(0.44)	(.049)	-	0.002	(0.30)	(0.15)
Mr B.V.Rao	(.06)	-	-	-	-	-
Security Deposits for lease of office premises						
Mr. R.K.Agarwal	5.00	5.00	3.00	3.00	3.00	3.00

Personal Guarantees of Directors for Loans obtained from Banks *

Mr. R.K.Agarwal

Mr. Sarvesh Agarwal

* Personnel guarantee of all the directors are to the extent of loan amount outstanding.

(ii) Transactions with relatives of Key Management personnel **(Rs. in Millions)**

Loan Received	**Period ended December 31, 2009**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Mrs. Anu Agarwal	-	0.38	-	-	-	-
Mrs.Rukmani Agarwal	1.00	-	-	-	-	-
Mr. Hari Ram Agarwal	-	0.78	-	-	-	-
Salary						
Mrs. Anu Agarwal	0.32	0.36	-	-	0.39	-
Mr. Hari Ram Agarwal	-	-	0.42	0.42	0.45	0.34
Rent Paid						
Mr. Mukesh Bansal	0.05	0.60	-	-	-	-
Mrs. Anu Agarwal	0.05	0.06	-	-	-	-
Mrs. Asha Agarwal	0.05	0.06	-	-	-	-
Mrs. Rukmani Agarwal	0.09	0.12	-	-	-	-
Security Deposits given for lease of premises						
Mrs. Asha Agarwal	-	12.00	-	-	-	-
Mrs. Rukmani Agarwal	-	14.00	-	-	-	-
Mr. Mukesh Bansal	-	2.00	-	-	-	-

(Rs in millions)

	Period ended December 31, 2009	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Year end Balances Receivable / (Payable)						
Mrs. Mukesh Bansal	(0.05)	(.06)	-	(0.12)	(0.12)	-
Mrs. Anu Agarwal	(0.18)	(0.14)	-	0.11	(0.03)	-
Mrs. Asha Agarwal	(0.05)	(0.06)	-	(0.03)	(0.03)	-
Mrs. Rukmani Agarwal	(1.09)	(0.12)	-	(1.19)	(0.03)	(0.18)
Mr. Hari Ram Agarwal	-	-	-	(0.01)	(0.46)	(2.35)

	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Security Deposits given for lease of premises						
Mrs. Asha Agarwal	15.00	15.00	3.00	3.00	3.00	3.00
Mrs. Rukmani Agarwal	20.00	20.00	6.00	6.00	6.00	6.00
Mr. Mukesh Bansal	5.00	5.00	3.00	3.00	3.00	3.00

Personal property of relatives of Directors mortgaged for Loans obtained from Banks *

Mrs. Rukmani Agarwal

Mr Mukesh Bansal

Mr Hari Ram Agarwal

* Guarantees by relatives are given to the extent of value of loan outstanding.

(iii) Transactions with enterprises over which person(s) having controlling interest in Company/ Key management personnel (s) along with their relatives are able to exercise significant influence **(Rs. in Millions)**

Nature of Transactions	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Buy-Back of Equity Shares						
Asis Industries Private Limited	-	-	0.21	-	-	-
Sale of Investment						
Asis Industries Pvt. Ltd.	11.06	-	-	-	-	-
Poona Pearls Biotek Limited	15.58	-	-	-	-	-
Pratibha Finance & Investment Private Limited	26.77	-	-	-	-	-
Rachna Finance & Investment Private Limited	26.77	-	-	-	-	-
Repute Properties Private Limited	24.64	-	-	-	-	-
Labh Capital Service Private Limited	6.49	-	-	-	-	-
Manhar Properties Private Limited	4.84	-	-	-	-	-
S.N.Sales Corporation (Partnership Firm)	11.00	-	-	-	-	-
Purchase of Investment						
Asis Logistic Limited (Purchase of Equity Shares)	-	-	100.00	-	-	-
S.N.Sales Corporation (Share in partnership firm)	-	-	11.00	-	-	-

Nature of Transactions	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Sales of Goods						
Asis Global Limited	234.85	60.95	36.52	-	47.78	33.19
S.N. Sales Corporation (A partnership Firm)	-	8.72	4.23	-	-	-
Purchase of Goods						
Asis Global Limited	-	-	-	1.75	23.45	0.89
Asis Logistic Limited	18.33	-	-	-	-	-
S.N.Sales Corporation (Partnership Firm)	19.84	-	-	-	-	-
Poona Pearls Biotech Ltd.	-	-	-	-	-	9.16
Asis Overseas (C&F) Pvt. Ltd.	-	-	-	-	2.83	2.60
Sale of Fixed Assets						
S.N. Sales Corporation (A partnership Firm)	-	-	6.90	-	-	-
Freight Services Availed						
Asis Logistic Limited	106.22	53.97	81.11	4.39	-	-
Clearing and Forwarding Services Availed						
Asis Overseas (C & F) Private Limited	-	-	0.55	5.50	-	-
Rental Services Availed						
Asis Industries Private Limited	0.23	0.30	0.20	-	-	-
Unsecured Loans Given						
Asis Logistic Limited	-	181.82	-	-	-	-
Asis Industries Pvt. Ltd	-	-	-	-	-	2.69
Dytel Fin. & Inv. Pvt. Ltd	-	-	-	-	-	0.89
Manhar Properties P. Ltd	-	-	-	-	-	10.80
Repute Properties Pvt Ltd	-	-	-	-	-	5.57
Rachana Finance & Injvest.Pvt.Ltd	-	-	-	-	-	3.45

Nature of Transactions	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Sajal Finance & Invest.Pvt.Ltd	-	-	-	-	-	2.13
Asis Overseas Ltd.	-	-	-	-	1.79	-
Emeca Finance & Invest.Pvt.Ltd	-	-	-	-	-	4.64
Labh Capital Service Private Limited	-	-	-	-	6.93	-
Interest						
Asis Logistic Limited	-	10.99	-	-	-	-
Receipt of unsecured Loans						
Asis Industries Private Limited	11.07	-	241.92	-	30.23	-
Labh Capital Service Private Limited	0.80	-	122.59	-	-	1.23
Poona Pearls Biotek Limited	85.84	581.35	47.92	-	2.02	33.48
Manhar Properties Private Limited	2.47	-	-	-	-	-
Sajal Finance & Investment Private Limited	25.00	-	-	-	4.94	-
Asis Logistic Limited	160.06	43.08	-	-	-	6.40
Pratibha Finance & Investement Pvt Ltd	-	-	-	-	-	0.84
Asis Global Limited	-	-	-	-	7.82	-
Security Deposits for lease of office						
Asis Industries Private Limited	-	29.99	15.01	-	-	-
Corporate Guarantee Given						
Asis Logistic Limited	80.00	-	-	-	-	-
Corporate Guarantee Received						
Asis Logistic Limited	200.00	-	-	-	-	-
Profit from Partnership Firm						
S.N.Sales Corporation (Partnership Firm)	0.43	-	-	-	-	-

Year end Balances Receivable / (Payable)	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Sundry Debtors						
Asis Global Limited	110.71	32.26	6.09	-	(7.82)	11.35
S.N. Sales Corporation (A partnership Firm)	-	11.59	9.71	-	-	-
Sundry Creditors						
Asis Overseas (C & F) Private Limited	-	-	(6.29)	(3.38)	-	-
Asis Logistic Limited	(4.84)	(33.09)	(0.52)	(4.34)	(15.69)	(6.40)
Asis Global Limited	-	-	-	(1.75)	-	-
Security Deposits for lease of office						
Asis Industries Private Limited	45.00	45.00	15.01	-	-	-
Investments						
S.N.Sales Corporation (Partnership Firm)	-	11.00	11.00	-	-	-
Equity Shares in Asis Logistics Limited fully paid up.	-	100.00	100.00	-	-	-
Equity Shares in Asis Overseas (C&F) Private Limited fully paid up.	-	5.84	5.84	5.84	5.84	5.84
Equity Shares in Labh Capital Services Private Limited fully paid up.	1.89	1.89	1.89	1.89	1.89	1.89
Equity Shares in Poona Pearls Biotek Private fully paid up.	-	5.35	5.35	5.35	5.35	5.35
Balance of unsecured loans/Advances Receivable / (Payable)						
Asis Industries Private Limited	(51.79)	(53.40)	(63.79)	(98.12)	(7.10)	2.69
Labh Capital Service Private Limited	-	(0.70)	(5.85)	-	6.93	(3.84)
Poona Pearls Biotek Limited	(12.82)	(23.34)	(13.91)	0.03	(45.56)	(43.53)
Manhar Properties Private Limited	(2.47)	-	-	-	0.20	10.80
Sajal Finance & Investment Private Limited	-	-	-	-	(4.94)	4.73
Rachna Finance & Investment Private Limited	-	-	-	-	-	5.06
Asis Overseas (C & F)	-	-	-	-	17.77	20.26

Year end Balances Receivable / (Payable)	Period ended December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Private Limited						
Dytel Fin. & Inv. Pvt. Ltd	-	-	-	-	1.10	1.40
Emeca Finance & Invest.Pvt.Ltd	-	-	-	-	4.64	4.64
Manhar Properties Private Limited	-	-	-	-	-	10.80
Pratibha Finance & Investement Pvt Ltd	-	-	-	-	(0.32)	(0.84)
Repute Properties Pvt Ltd	-	-	-	-	3.46	6.00
Swambey Technology Pvt. Ltd.	-	-	-	-	0.69	0.65
Corporate Guarantee Given						
Asis Logistic Limited	80.00	-	-	-	-	-
Corporate Guarantee Received						
Asis Logistic Limited	200.00	-	-	-	-	-

Guarantee for Loans taken from Bank by the Company

Asis Industries Private Limited

Asis Logistic Limited

Swanbay Technologies Pvt. Ltd

Annexure VI - Restated statement of Loans and Advances

(Rs in Millions)

Particulars	**As at Dec 31 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
(Unsecured, Considered Good)						
Advances recoverable in cash or in kind or for value to be received	124.70	111.32	169.34	52.03	254.43	90.79
Balances with customs and excise	0.48	-	-	-	-	-
Security / Other deposits	103.77	96.31	35.99	35.95	15.00	15.00
Loans to Body Corporates	-	-	-	141.15	0.04	-
Advance Tax (Net of provision for tax)	-	-	-	2.64	-	-
MAT Credit Entitlement	69.65	41.94	20.74	10.00	-	-
Total	**298.60**	**249.57**	**226.07**	**241.77**	**269.47**	**105.79**

Notes:
The above statement should be read with details of related party transactions and balances as disclosed in Annexure V

Annexure VII - Restated statement of Sundry Debtors

(Rs in Millions)

Particulars	**As at Dec 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Debts outstanding for a period exceeding six months	20.97	41.37	57.77	124.93	8.28	-
Other debts	955.21	512.99	549.89	267.47	31.80	11.65
Total	**976.18**	**554.36**	**607.66**	**392.40**	**40.08**	**11.65**

Notes:

The above statement should be read with details of related party transactions and balances as disclosed in Annexure V

Annexure VIII - Restated statement of Investments

(Rs in Millions)

Particulars	As at Dec 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Long Term Investments (At cost)						
a. Non-Trade, Unquoted						
Equity Shares in Asis Overseas (C&F) Private Limited fully paid up.	-	5.84	5.84	5.84	5.84	5.84
Equity Shares in Labh Capital Services Private Limited fully paid up.	1.89	1.89	1.89	1.89	1.89	1.89
Equity Shares in Poona Pearls Biotek Limited fully paid up.	-	5.35	5.35	5.35	5.35	5.35
Investment in Premises	-	-	-	-	-	2.63
b. Trade, Unquoted						
Investment in S.N Sales Corporation (partnership firm)	-	11.00	11.00	-	-	-
Equity Shares in Asis Logistics Limited fully paid up.	-	100.00	100.00	-	-	-
c. Quoted Investments						
Quoted Shares of Sharon Bio – Medicine	-	-	-	-	-	0.50
Grand Total	**1.89**	**124.08**	**124.08**	**13.08**	**13.08**	**16.21**

Aggregate book value of quoted investments	-	-	-	-	-	0.50
Aggregate market value of quoted investments	-	-	-	-	-	0.50
Aggregate book value of unquoted investments	1.89	124.08	124.08	13.08	13.08	15.71

Annexure IX – Statement of Accounting Ratios (on restated summary statement of Profits/ Loss)

Particulars	Period ended December 31, 2009 (not annualised)	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Basic Earnings/(Loss) per share after extraordinary items (Rs.)	9.11	9.25	8.70	2.92	2.30	(1.83)
Diluted Earnings/(Loss) per share after extraordinary items (Rs.)	9.11	9.25	8.49	2.92	2.30	(1.83)
Return on net worth %	16.35%	19.84%	25.91%	10.45%	12.74%	*
Net asset value per equity share (Rs.)	55.71	46.60	37.35	27.97	16.97	9.70
Weighted average number of equity shares outstanding during the year/period for (Basic)	17,306,580	17,306,580	19,253,490	19,440,580	17,360,624	14,664,388

Particulars	Period ended December 31, 2009 (not annualised)	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Weighted average number of equity shares outstanding during the year/period for (Diluted)**	17,306,580	17,306,580	19,730,841	19,460,708	17,360,624	14,664,388
Total number of shares outstanding at the end of the year/period	17,306,580	17,306,580	17,306,580	19,440,580	18,440,580	16,306,580

* Since there is a net loss before tax, as restated, the percentages have not been shown.

Ratios have been computed as per the following formulas

Basic Earnings/ (Loss) per share (Rs.) =	Net Profit/(loss) after Tax and extraordinary items, as restated attributable to equity shareholders
	Weighted average number of equity shares outstanding during the year/period
Diluted Earnings/(Loss) per share(Rs.)=	Net Profit/(loss) after Tax and extraordinary items, as restated attributable to equity shareholders
	Weighted average number of dilutive equity shares outstanding during the year/period
Return on Net Worth (%) =	Net Profit/(loss) after Tax, as restated
	Net Worth, as restated, at the end of the year/period
Net Asset Value (NAV) per share (Rs.)=	Net Worth, as restated, at the end of the year/period
	Number of equity shares outstanding at the end of year/period

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period, adjusted by the number of equity shares issued during the year/period multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.

2. Net profits/ (losses), as appearing in the Restated Summary Statement of Profits and Losses of the respective years/periods, have been considered for the purpose of computing the above ratios. These ratios are computed on the basis of Restated Summary Statements of the Company.

3. Earnings per share calculations are in accordance with Notified Accounting Standard 20 'Earnings per Share'.

4. Net worth means Equity share capital + Reserves and Surplus

5. The figures above are based on the Restated Financial Statements of Shirdi Industries Limited

Annexure X - Restated statement of Secured Loans and Unsecured Loans and assets charged as securities against Secured Loans.

Secured loans

(Rs in Millions)

Particulars	**As at Dec 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
From Banks						
-Cash Credit Loans from Banks	719.79	665.11	520.13	10.22	-	-
-Term loans	1,060.61	1,095.67	988.99	783.18	318.81	50.00
-Interest accrued and due on above	17.47	14.60	1.99	-	-	-
-Bill Discounting facility from Banks	124.51	169.37	-	-	-	-
-Loans against vehicles from banks	2.97	5.81	4.49	1.54	1.36	0.57
From others	-	-	-	6.53	-	-
Total	**1,925.35**	**1,950.56**	**1,515.60**	**801.47**	**320.17**	**50.57**

Unsecured loans

(Rs in Millions)

Particulars	**As at Dec 31, 2009**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at March 31, 2006**	**As at March 31, 2005**
Short Term Loans						
From Banks	114.42	-	48.22	50.00	-	-
From Others	77.08	77.43	90.36	98.09	57.59	47.38
Total	**191.50**	**77.43**	**138.58**	**148.09**	**57.59**	**47.38**

Notes:

1) Loans from others do not stipulate any repayment schedule and are entirely interest free.
2) The above statement should be read with details of related party transactions and balances as disclosed in Annexure V

Details of Loans Outstanding as at Dec 31, 2009.

Facility	As on 31/12/09 (Rs.in Millions)	Security	Rate of interest	Repayment Terms (Refer note 15 of annexure IV)
Term loan				
Union Bank of India	322.83	Term Loans are secured by first mortgage and hypothecation charge on land, buildings, plant, machinery, furniture and fixtures, office equipments both present and to be acquired fixed assets of the Company and personal guarantees of the directors of the company and their assets.	BPLR-1.25% in case of INR Loan and 6 month LIBOR + 6.5%	Repayable in 96 equal installments from April 2011
UCO Bank	162.74			
Indian Bank	271.52			
Bank of India	303.53			
Interest Accrued on above	17.47			
Total Term Loans	**1,078.09**			
Cash Credit (Stock & Book Debts)				
Union Bank of India	273.64	Cash Credit Loans are secured by first parri-passu charge by way of hypothecation of current assets namely stocks and book debts, inventories, second charge on pari passu basis on fixed assets of the company, personal guarantee of directors and corporate guarantee of group companies.	BPLR-1.25% in case of INR Loan and 6 month LIBOR + 6.5%	
UCO Bank	136.66			
Indian Bank	117.16			
Bank of India	117.32			
Standard Chartered Bank (Bills Discounting with Cash Credit revolving limit)	74.99			
Total Cash Credit	**719.77**			
Vehicle Loan				
ICICI Bank Ltd	0.81	Vehicles loans are secured by way of hypothecation of specific vehicles acquired under the arrangements.		
HDFC Bank Ltd	2.17			
Total Vehicle Loans	**2.98**			
Bill Discounting				
Standard Chartered Bank	124.51	Bill discounting facility from banks are secured by first pari-passu charge on inventories and book-debts of the Company. The facility is further secured by personal guarantee of Managing Director of the Company and Corporate guarantee from Asis Logistic Limited.		
Total Bills Discounting	**124.51**			
Grand Total	**1,925.35**			

Annexure XI - Restated statement of items of Other Income

(Rs. in Millions)

Particulars	Period ended Dec 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Other income	9.09	19.76	6.33	3.04	10.58	0.37
Net profit / (loss) before tax & extra ordinary items, as restated	174.92	163.31	185.05	84.89	60.29	(19.49)
Other income as %ge of net profit before tax as restated	5.20%	12.10%	3.42%	3.58%	17.55%	-*

Notes:

(i)* Since there is a net loss before tax, as restated, the percentages have not been shown.

(ii) Since other income is less than 20% of restated net profit before tax, breakup of other income has not been disclosed.

Annexure XII – Statement of Dividend paid

Particulars	Period ended Dec 31, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Dividend paid	-	-	-	-	-	-

Annexure XIII - Capitalization Statement as at December 31, 2009

(Rs. in Millions)

Particulars		Pre-Issue	Post Issue (Refer Note 1 Below)
Short term debt (Refer note 2 below)	(A)	1,056.25	
Long term debt	(B)	1,060.60	
Total debt	**(A+B)**	**2,116.85**	
Shareholders' funds			
- Share capital		177.51	
- Reserves		786.59	
Total shareholders' funds	**(c)**	**964.10**	
Long term debt/equity	**(B/C)**	1.10	

Notes:
1) The Statement for the Post-Issue period will be made on conclusion of the Issue process.
2) Cash Credit and Loans from Body Corporate has been considered as Short Term Debt since they are payable on demand. Loans against vehicles has been considered as short term since the same is repayable within one year.

Annexure XIV: Statement of Tax Shelters **(Rs. in Millions)**

S.No	Particulars	Nine Months Period ending December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
A	Profit/(Loss) before current and deferred taxes, as restated	174.92	163.31	185.05	84.89	60.29	(19.49)
B	Income tax rates applicable % age	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
C	**Tax at notional rates**	**59.45**	**55.51**	**62.90**	**28.57**	**20.29**	**(7.13)**
D	Income tax provision in books*	-	-	-	-	20.36	7.29
E	**Permanent Differences**						
	Impact of 80IC	(22.83)	(48.53)	(121.24)	(38.11)	-	-
	Total Permanent Differences	**(22.83)**	**(48.53)**	**(121.24)**	**(38.11)**	**-**	**-**
F	**Temporary Differences**						
(i)	Difference between book depreciation and tax depreciation	(126.15)	(85.01)	(41.13)	(77.69)	0.38	(0.22)
(ii)	Loss on sale of Fixed Assets	-	-	1.50	-	-	-
(iii)	Provision for doubtful debts/advances	(18.72)	18.72	70.69	-	-	-
(iv)	Provision for doubtful debts/advances Written off	-	(70.69)	(70.69)	-	2.70	40.77
(v)	Provision for retirement benefits	0.73	8.56	0.73	1.46	0.19	0.11
(vi)	Provision for Bonus	-	2.00	-	-	-	(0.98)
(vii)	Timining Difference as per notification on AS-11	-	-	(4.12)	-	-	-
(viii)	Miscellaneous Expenditure	-	-	(2.14)	(0.89)	3.04	(0.17)
(ix)	Impact of change in Depreciation from written down value method to straight line method.	-	-	-	4.34	(1.11)	(0.89)
	Total Temporary Differences	**(144.14)**	**(126.42)**	**(45.16)**	**(72.78)**	**5.20**	**38.62**
J	**Net adjustments (E + F)**	**(166.97)**	**(174.95)**	**(166.40)**	**(110.89)**	**5.20**	**38.62**
K	**Taxable Profits (A + J)**	**7.95**	**(11.64)**	**18.64**	**(26.01)**	**65.49**	**19.13**
L	**Tax expense / (saving) thereon**	**2.70**	**(3.95)**	**6.33**	**(8.75)**	**22.04**	**7.00**
M	**Tax Liability under MAT**	27.71	20.27	10.74	10.00	-	-
N	**Total Tax Liability (higher of L and M)**	**27.71**	**20.27**	**10.74**	**10.00**	**22.04**	**7.00**
O	MAT Credit entitlement	27.71	20.27	10.74	10.00	-	-
P	Net Tax Expense (N - O)	-	-	-	-	22.04	7.00

* the amount does not include the fringe benefit tax paid for the respective years

Notes

1) The aforesaid Statement of Tax Shelters has been prepared as per the Summary Statement of Profits and Losses, as restated, of Shirdi Industries Limited.

2) The permanent/timing differences have been computed considering the acknowledged copies of the income -tax returns filed by the Company for each of the respective years presented in the above statement. Disallowances made by the tax authorities on account of assessments, proceedings etc. against which the company is in appeal, has not been given affect in the above statement as the company is confident of cases being decided in favor of the Company.

3) The figures for the nine month period ended December 31 2009, are based on the provisional computation of total income prepared by the Company for the nine months period then ended, and are subject to any changes that might be considered by the Company at the time of filing its return of income.

For S.R. Batliboi & Co. Firm registration number: 301003E Chartered Accountants	For and on behalf of Board of Shirdi Industries Limited	
per Rajiv Goyal Partner Membership No.:94549	Rakesh Kumar Agarwal [Managing Director]	Sarvesh Agarwal [Director]

Place : Gurgaon

Date: April 9, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and as of and for the nine months period ended December 31, 2009, prepared in accordance with paragraph B (1) of Part (II) of Schedule II to the Companies Act, 1956 and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 136 of the Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of the Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" beginning on page xiv of the Draft Red Herring Prospectus.

In this section, unless the context otherwise requires, a reference to the "Company" or to "we", "us" and "our" refers to Shirdi Industries Limited.

OVERVIEW

Our Company was originally incorporated as Shirdi International Engineers Private Limited on December 15, 1993, as a private company limited by shares under the Companies Act. Subsequently, the name of our Company was changed to Shirdi Industries Private Limited, pursuant to a fresh certificate of incorporation dated May 9, 1997, issued by the Registrar of Companies. Thereafter, our Company was converted into a public company limited by shares and its name was changed to Shirdi Industries Limited vide a fresh certificate of incorporation dated June 12, 1997 issued by the Registrar of Companies, Maharashtra.

Our Company is an interior infrastructure and furnishing company engaged in the manufacture of medium density fibre, ("**MDF**") boards, particle boards, pre-laminated MDF and particle boards, laminates, flooring, door skins, panel doors, and other allied products. The existing business of our Company comprises of trading, manufacturing and consultancy.

No such circumstances have arisen since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus, which may materially and adversely affect or is likely to affect the trading or profitability of our Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Brief History

Our Company was originally incorporated with an object of trading in various commodities and products, providing consultancy services related to trade and other allied activities.

In 1994, our Company introduced a new concept in the business of trading of transferable export incentives by offering forward sell options to exporters and purchase options to the importers at deferred payment basis. This business model of our Company at one end secured the service charges realizable from the exports against the various services rendered to them as while purchasing the incentives our Company has possibility of deducting or adjusting the service charges in advance in place of realizing the same after rendering the services. Similarly in case of imports options of deferred payment offered by our Company to importers resulted into sharing of business opportunities with the importers, in addition to rendering the services. This approach of our Company also helped to start trading and import activities in Timber and Steel products later.

Initially our Company sold the products without any brand; however, after increase in volume of import our Company started selling the product under ASIS Brand. Our Company also started importing several other products i.e. Prelaminated Boards, Veneer, Particle Board, PVC and HDF Door Skins used in furniture industry for offering integrated solution to the customers.

Our Company gained experience in trading of various items required by furniture industry from 1995 to 2002 and decided to set up manufacturing facilities. Initially, our Company made arrangements for manufacturing by appointing Jyoti Panels Private Ltd., as an exclusive job worker for them. Under this agreement, Jyoti Panels Private Limited manufactured Door-Skin, which is used for esthetic look of the doors in residential and commercial premises. Our Company continued this practice from July, 2002 till September, 2003 and from October, 2003 our Company took over plant and machinery and stock of raw material and finished goods. Our Company also compensated Jyoti Panels Private Limited against the investments made by them in the premises for running the operations. All the plant and machinery available with Jyoti Panels Private Limited and other investments made at premises are now used by our Company and the Company has made further investment on plant and machinery for producing Panel Doors and Furniture Components. All these products of our Company enjoy reputation in the market and the present customers include builders in Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu.

In the year 2007, our Company set up a plant for the manufacture of Plain Particle Board, Plain MDF Board, Pre-laminated particle Board, Pre-laminated MDF Board, Doors and Door Skins, Furniture, Components, High Pressure laminates, flooring, etc at Pant Nagar, Uttaranchal and commenced the production from the said facility in the month of February of 2007.

In the year 2008-09 our Company implemented the second phase of its expansion and diversification programme at its manufacturing facilities in Uttarakhand.

Further, our Company acquired selected plant and machinery for the manufacture of particle board, pre-lamination, impregnation, ceiling tiles and utility from the Rampur based manufacturing facility of Kitply Limited. The aforesaid plant and machinery is proposed to be used in implementing the expansion plans proposed by our Company for the financial year 2009-10.

Also in the year 2008-09 our Company executed an agreement for exclusive distribution for the supply of PVC wrapped profiles, membrane pressed panels with M/s AGT Furniture Components, Turkey and for the marketing and distribution of PVC edge bends with M/s. Probos- PLasticos SA, Portugal.

Recently on October 5, 2009, our Company commissioned and commenced production at our manufacturing facility at Coimbatore.

Our Company proposes to implement the third phase of its expansion plans at our manufacturing facilities at Pant Nagar, Uttarakhand, and also develop our new manufacturing facilities at Gummidipoondi near Chennai, Tamil Nadu. Pursuant to the aforementioned proposed expansion projects, our Company proposes to enhance our manufacturing capacities and add facilities for manufacturing plywood, veneers, continuous laminates and other furniture components in addition to our existing range of products, in order to consolidate our position as an integrated player in the wood based products and interior infrastructure and furnishing industry.

Our Company has set up a plant for the manufacture of Plain Particle Board, Plain MDF Board, Pre-laminated particle Board, Pre-laminated MDF Board, Doors and Door Skins, Furniture, Components, High Pressure laminates, Flooring, etc at Pant Nagar , Uttaranchal.

FACTORS AFFECTING RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of factors, including the following:

Our ability to implement our proposed expansion programme inter-alia including managing operations of our manufacturing units at Coimbatore and Pantnagar in a profitable manner and the establishment and commissioning of our plant at Gummidipoondi, near Chennai, Tamil Nadu

Our ability to successfully implement the aforesaid expansion programmes will be subject to a variety of conditions, including timely completion of construction, material management, managing increase in costs, ability to negotiate satisfactory arrangements with foreign partners, availability of adequate funds and the required personnel and other related factors, and there can be no assurance that these programmes will be completed in a timely manner or at the cost levels anticipated by our Company. Moreover, the overall profitability and success is subject inter-alia to the following factors:

- obtaining the necessary statutory and/or regulatory approvals in a timely manner or at all;
- our ability to effectively obtain, retain and motivate appropriate managerial talent;
- our ability to effectively absorb additional infrastructure costs; and
- our ability to develop new expertise and undertake new risks, and other factors applicable at the time.

Changes in Government Policies relating to wood panel Industry

Our manufacturing activities are subject to environmental laws and regulations promulgated by the Ministry of Environment of Government of India, the State Forest Policy, State Pollution Control Board among other laws which regulate cutting of trees, discharge of effluents, polluted emissions, hazardous substances and so on. Any changes in the policies relating to our industry could materially impact our operations.
.

Raw Material Availability

Every year large hectares of forests are utilized as firewood. Such continuous depletion of the natural forest resources may result in reduction of raw material availability and consequently increase our raw material costs and could significantly affect our operating results.

Changes in the demand for wood based products

The demand for interior infrastructure products is primarily dependent on the demand for real estate, which influences the demand for plywood, laminates and other interior infrastructure products. Periods of slowdown in the economic growth of India have significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for MDF, particle boards, laminates and other infrastructure products and the results of our operations.

Competition in wood based industry from other companies, especially the effect of such competition on our ability to penetrate such markets

The Indian plywood industry is highly fragmented with majority of the market constituted by the unorganized sector, from which the organized plywood sector faces intense competition. The unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. We also face stiff competition from the organized sector. Important factors affecting competition in our industry are competitive pricing, ability to introduce innovative products, exclusive designs, product branding, logistic advantages and the extent of distribution network.

Changes in the foreign exchange control regulations, interest rates and tax laws in India

Taxes and other levies imposed by the Central or State Governments in India that affect the industry we operate in, includes customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Any new taxes/ changes in existing tax policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic factors

Macroeconomic factors such as a recession or any other economic instability, political uncertainty, social upheavals or acts of God affecting India or our other geographic markets.

SIGNIFICANT ACCOUNTING POLICIES

Our financial statements have been prepared in compliance with the Companies Act, regulations and guidelines issued by SEBI and in accordance with paragraph B (1) of Part (II) of Schedule II to the Companies Act, 1956. Our significant accounting policies are set forth in Annexure [●] to our restated financial statements included on page 136.

The estimates and assumptions used in our financial statements are based on management's evaluation of the relevant fact and circumstances as of the date of the financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods. By their nature, these estimates and assumptions are subject to an inherent degree of uncertainty, and there can be no assurance that such estimates and assumptions will prove correct.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant particular attention:

1. Nature of Operations

Shirdi Industries Limited (the Company) is a manufacturer of Plain, Pre-laminated Particle Boards, MDF Boards, Decorative Laminates, Doors, Furniture and Furniture Components which are used by corporate and house hold consumers. The Company is also engaged in trading of steel, chemical and transferable import licenses.

The Restated Summary Statements have been prepared specifically in connection with the inclusion in offer document for proposed offering of equity shares of the Company.

2. Statement of Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

(b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. It includes excise duty and discounts but excludes value added tax / sales tax and is net of returns. Excise duty shown as deduction from revenue is the amount that is included in the amount of revenue and not the entire amount of liability that arose during the year.

Sale of Licenses

Revenue from sale of licenses is recognised when the entitlement for license is endorsed in the name of the importer. It excludes value added tax / sales tax.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(c) Fixed Assets

Fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses, if any, and include all other incidental expenses thereto. Cost comprises the purchase price and any attributable cost such as duties, freight, erection and commissioning and installation expenses incurred in bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

In respect of accounting periods commencing on or after 7th December, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

Leasehold improvements represent expenses incurred towards civil works, interior furnishings, etc of the leasehold premises.

(d) Depreciation

Depreciation on Fixed Assets is provided pro-rata from the date of addition using the Straight Line Method each at the rates based upon useful life of the assets estimated by the management, which are equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956 except:-

Type of Asset	Schedule XIV Rates (SLM)
i) Lease hold land	Over the period of lease

ii) Leasehold improvement	Over the period of lease or useful life whichever is lower

(e) Intangible assets

Computer Software

Costs relating to Computer Software are capitalised and amortized on a straight-line basis over useful life of six years.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(h) Inventories

Inventories are valued as follows:

Raw materials, stores and spare parts	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.
Work-in-progress	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity upto the stage of completion of the process.
Finished goods	Lower of cost and net realizable value. Cost includes direct materials and

(manufactured)	labour and a proportion of manufacturing overheads based on normal operating capacity and excise duty.
Finished goods (traded)	At Weighted Average Cost or Net Realizable Value, whichever is lower
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.	

(i) Foreign currency translation

Foreign currency transactions

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

(d) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of Profit and Loss Account in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(j) Retirement and other employee benefits

(a) Provident Fund

Retirement benefits in the form of Provident Funds is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions are made to Regional Provident Fund Commissioner. There are no other obligations other than the contribution payable.

(b) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation carried out by an independent actuary as per projected unit credit method as at the end of each financial year

(c) Leave Encashment

Short term compensated absences are provided for on based on estimates at cost to Company basis. Long term compensated absences are provided for based on actuarial valuation carried by an independent actuary as at the end of the year. The actuarial valuation is done as per projected unit credit method

(d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(k) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The deferred tax in respect of timing differences which originate during the tax holiday period and reverse during the tax holiday period, are not recognised to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period as per the requirements of the Act.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(l) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(m) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(n) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

(o) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

SEGMENT REPORTING POLICIES

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

OUR RESULTS OF OPERATION:

Our restated financial statements for fiscal 2005, 2006, 2007, 2008 and 2009 and our restated financial statements for the nine months period ended December 31, 2009 included in the Draft Red Herring Prospectus have been presented in compliance with paragraph B(1) of Part II of Schedule II to the Companies Act and the SEBI Regulations. The effect of such restatement is that our financial statements included in the Draft Red Herring Prospectus have been restated to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies and estimates.

RESULTS OF OPERATIONS FOR THE YEARS ENDED MARCH 31, 2009, 2008, 2007 AND 2006 and the NINE MONTHS PERIOD ENDED DECEMBER 31, 2009

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	**Nine Month Period ended December 31, 2009**		**Year ended March 31, 2009**		**Year ended March 31, 2008**		**Year ended March 31, 2007**		**Year ended March 31, 2006**		**Year ended March 31, 2005**	
Income	**Rs. in million**	**As a % of Total Income**	**Rs. in million**	**As a % of Total Income**	**Rs. in million**	**As a % of Total Income**	**Rs. in million**	**As a % of Total Income**	**Rs. in million**	**As a % of Total Income**	**Rs. in million**	**As a % of Total Income**
Sales (Gross)												
Of products manufactured	1,323.99	74.87%	1,719.50	78.96%	1,216.97	57.09%	24.12	2.83%	295.91	56.04%	63.36	15.70%
Of products traded (including advance Licenses)	453.79	25.66%	485.27	22.28%	924.24	43.36%	797.77	93.47%	211.20	40.00%	327.41	81.10%
Consultancy Income	-	0.00%	-	0.00%	-	0.00%	29.26	3.43%	10.30	1.95%	12.55	3.11%
Less : Excise	0.06	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Less : Discounts	18.32	1.04%	46.78	2.15%	15.92	0.75%	0.72	0.08%	-	0.00%	-	0.00%
Sales (Net)	1,759.40	99.49%	2,157.99	99.09%	2,125.29	99.70%	850.43	99.64%	517.41	98.00%	403.32	99.91%
Other income	9.09	0.51%	19.76	0.91%	6.33	0.30%	3.04	0.36%	10.58	2.00%	0.37	0.09%
Total Income	**1,768.49**	**100.00%**	**2,177.75**	**100.00%**	**2,131.62**	**100.00%**	**853.47**	**100.00%**	**527.99**	**100.00%**	**403.69**	**100.00%**
Expenditure												
Raw Materials consumed	429.15	24.27%	793.39	36.43%	537.72	25.23%	37.93	4.44%	231.02	43.75%	82.24	20.37%
Purchase of traded products	445.88	25.21%	456.11	20.94%	886.58	41.59%	672.25	78.77%	210.74	39.91%	286.63	71.00%
Staff Costs	70.40	3.98%	93.92	4.31%	56.26	2.64%	8.01	0.94%	5.30	1.00%	4.27	1.06%
Manufacturing and other expenses	300.46	16.99%	388.14	17.82%	341.57	16.02%	51.12	5.99%	23.85	4.52%	56.35	13.96%
Loss on Fixed Assets Discarded/ Sold	-	0.00%	-	0.00%	1.50	0.07%	-	0.00%	-	0.00%	-	0.00%
Finance Charges	185.39	10.48%	199.46	9.16%	154.76	7.26%	12.54	1.47%	6.32	1.20%	3.11	0.77%
Depreciation/Amortization	136.60	7.72%	142.20	6.53%	107.00	5.02%	7.14	0.84%	1.15	0.22%	0.26	0.06%
Decrease/(Increase) in inventories	25.69	1.45%	(58.78)	(2.70)%	(138.82)	(6.51)%	(20.41)	(2.39)%	(10.68)	(2.02)%	(9.68)	(2.40)%

Particulars	Nine Month Period ended December 31, 2009		Year ended March 31, 2009		Year ended March 31, 2008		Year ended March 31, 2007		Year ended March 31, 2006		Year ended March 31, 2005	
Total Expenditure	**1,593.57**	**90.11%**	**2,014.44**	**92.50%**	**1,946.57**	**91.32%**	**768.58**	**90.05%**	**467.70**	**88.58%**	**423.18**	**104.83%**
Net Profit/(Loss) before tax and extraordinary items	**174.92**	**9.89%**	**163.31**	**7.50%**	**185.05**	**8.68%**	**84.89**	**9.95%**	**60.29**	**11.42%**	**(19.49)**	**(4.83)%**
Taxation	17.29	0.98%	3.29	0.15%	17.56	0.82%	28.04	3.29%	20.43	3.87%	7.33	1.82%
Net Profit/(Loss) after tax and extraordinary items	**157.63**	**8.91%**	**160.02**	**7.35%**	**167.49**	**7.86%**	**56.85**	**6.66%**	**39.86**	**7.55%**	**(26.82)**	**(6.64)%**
Balance brought forward from previous years as restated	363.33		203.31		35.82		(16.03)		(50.89)		(21.07)	
Appropriation to General Reserve	-		-		-		5.00		5.00		3.00	
Balance carried forward as restated	520.96		363.33		203.31		35.82		(16.03)		(50.89)	

COMPONENTS OF INCOME AND EXPENDITURE

Total Income

We derive our total income from (i) sales and (ii) other income.

Sales

Our sales revenue comprises the following:

Revenue from sales of products manufactured by us

We derive most of our income from the sale of wood based products manufactured by us, primarily manufacture of medium density fibre, ("**MDF**") boards, particle boards, pre-laminated MDF and particle boards, furniture, high pressure laminates, flooring, door skins, panel doors, and other allied products. We currently own two manufacturing facilities, one at Pantnagar, Uttarakhand and one at Coimbatore, Tamil Nadu, and are in the process of setting up two additional manufacturing facilities at Gummidipoondi, near Chennai, Tamil Nadu and Bhiwandi, District Thane, Maharashtra, respectively. Our Company has set up a large distribution network across India with includes a large number of authorised distributors, dealers and stockists.

Revenue from sales of products traded by us

We also derive a portion of our revenue from trading of various commodities which include purchase and sale of steel, chemicals, paper, thin boards and other related items in connection with the furniture industry.

Since financial year ended March 31, 2007 our Company has decided to focus on our manufacturing activities and restrict its trading activities to products related to our manufacturing activities.

Consultancy income

We have also historically derived a portion of our revenue from consultancy services rendered by us. However, since our core business activity of manufacturing wood based furnishings commenced in 2007, we have ceased rendering consultancy services. Consequently, in the financial years ended March 31, 2008 and 2009 and the nine months period ended December 31, 2009 we derived no income from consultancy services rendered by us.

Other Income

Our other income includes (i) interest income on fixed deposits and loans, primarily relating to unutilized capital maintained as fixed deposits with banks, (ii) miscellaneous income, including sale of scrap and foreign exchange gains, if any, and (iii) amounts realised from insurance and other claims. Other income is recognized as adjusted for any excess liability written back.

Expenditure

Our expenditure comprises:

Expenditure in relation to Raw Materials consumed

Our primary expenditure comprises of the expenditure incurred for the purchase of raw material consumed in connection with our manufacturing facilities. Our raw material in connection with manufacturing activities primarily include wood waste of different types i.e. saw dust, cuttings, trimming, used furniture, chips and all under sized trees, resins and paper.

Purchase of traded products

We also incur expenditure in connection with the purchase of commodities and goods traded by our Company.

Staff Costs

Staff costs comprise salaries and bonus, provident fund contributions, provisions for gratuity and staff welfare expenses.

Manufacturing and other expenses

Our manufacturing and other expenses consist of rent, repairs and maintenance, insurance, rates and taxes, consumable stores, legal and professional charges, auditors' fees, power, fuel and water charges, freight, traveling and conveyance expenses, advertising sales promotions, provisions for doubtful debts and advances, vehicle operating and maintenance costs, recruitment expenses, printing and stationery, office maintenance costs and other miscellaneous expenses.

Loss on Fixed Assets Discarded/ Sold

A portion of our expenses also include any provision made for any loss incurred on discarding/ sale of fixed assets.

Finance Charges

Interest and finance charges reflect the interest and finance charges payable by us on our borrowings from banks for working capital loans, long term loans and other credit facilities availed by our Company, if any, from time to time.

Depreciation/Amortization

Depreciation on fixed assets, other than as described below, is provided on a straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act. Fixed assets individually costing up to Rs.5,000 are depreciated at 100% over a period of one year.

Depreciation on Fixed Assets is provided pro-rata from the date of addition using the Straight Line Method each at the rates based upon useful life of the assets estimated by the management, which are equal to the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956 except:-

Type of Asset	**Schedule XIV Rates (SLM)**
i) Lease hold land	Over the period of lease
ii) Leasehold improvement	Over the period of lease or useful life whichever is lower

Costs relating to Computer Software are capitalised and amortized on a straight-line basis over useful life of six years.

Generally, depreciation costs increase based on the capital expenditure we incur. For more information on our depreciation policies, please refer to our Financial Statements- Significant Accounting Policies on page 136 of the Draft Red Herring Prospectus. Our depreciation expenses in the coming years are expected to increase due to ongoing fixed asset additions, such as normal incremental capital expenditure required to be incurred on the ongoing expansion and the capital expenditure that we will incur as per the details mentioned in the section "Objects of the Issue" on 39 of the Draft Red Herring Prospectus.

Decrease/(Increase) in inventories

The expenditure incurred in connection with our inventory levels depend upon orders in hand, anticipated orders, expected price of raw-material etc. Any delay in liquidation of inventories, will directly affect our liquidity position. We may then have to resort to increased borrowings for our working capital requirements, which may exert further pressure on outgo towards interest thereby reducing our profits. Inventory are valued at lower of cost and net realizable value. In determining the cost, weighted average method is used. The comparison of cost and net realizable value is made on an item-by-item basis.

Taxation

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the Income Tax Act, as amended. Provision for current taxes is recognized under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act. The fringe benefit tax has been abolished from April 1, 2009.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment rate. Deferred tax assets in respect of carry forward losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

RESULTS OF OPERATIONS FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2009

Income

Total income was Rs. 1,768.49 million in the nine months period ended December 31, 2009, comprising net sales of Rs 1,759.40 million and other income of Rs. 9.09 million.
Sales

The following table sets forth certain information relating to our sales in the nine months period ended December 31, 2009:

(Rs. in million)

Particulars	Nine Month Period ended December 31, 2009
Income	
Sales (Gross)	
Of products manufactured by the Company	1,323.99
Of products traded in by the Company (including advance licenses)	453.79
Less : Excise	0.06
Less : Discounts	18.32
Sales (Net)	**1,759.40**

Net sales (comprising sales of products manufactured by us and sales of products traded by us) contributed 99.49% of our total income in the nine months period ended December 31, 2009, of which 73.83 % of our total income was contributed from sales of products manufactured by us (net of discount), and 25.66% of our total income was contributed from sales of products traded by us (including advance licenses).

Other income

Other income was Rs. 9.09 million in the nine months period ended December 31, 2009, primarily resulting from interest income from Fixed Deposits and balances no longer required to be written back, and profit from sale of investments.

Other income contributed 0.51% of our total income in the nine months period ended December 31, 2009.

Expenditure

Total expenditure was Rs. 1,593.57 million in the nine months period ended December 31, 2009. Expressed as percentage of total income, total expenditure was 90.11% in the nine months period ended December 31, 2009.

Raw Materials consumed expenses

For the nine months period ended December 31, 2009, expenditure pertaining to raw materials consumed aggregated to Rs 429.15 million representing 24.27% of our total income.

The following table sets forth certain information relating to the expenses pertaining to raw materials consumed in nine months period ended December 31, 2009:

Particulars	**Nine Months Period Ended December 31, 2009**
	(Rs. in millions)
Wood	250
Paper	36
Others (including Chemicals)*	143
Total	**429**

** In view of large number of items it is not practicable to furnish quantitative information in respect of other items of raw materials. Hence none of the individual items are greater than 10% of total consumption*

Purchase of traded products

For the nine months period ended December 31, 2009, expenditure pertaining to purchase of traded products aggregated to Rs 445.88 million representing 25.21% of our total income.

Staff costs

For the nine months period ended December 31, 2009, staff costs aggregated to Rs 70.40 million representing 3.98% of our total income.

Manufacturing and *other expenses*

For the nine months period ended December 31, 2009, expenditure pertaining to manufacturing and other expenses aggregated to Rs 300.46 million representing 16.99% of our total income.

Finance Charges

For the nine months period ended December 31, 2009, finance charges aggregated to Rs 185.39 million representing 10.48% of our total income.

Depreciation/Amortization

For the nine months period ended December 31, 2009, provisions for depreciation/amortization aggregated to Rs 136.60 million representing 7.72% of our total income.

Decrease/increase in inventory

For the nine months period ended December 31, 2009, decrease/ (increase) in inventory aggregated to Rs 25.69 million representing 1.45% of our total income.

Net Profit/(Loss) Before Tax and Extraordinary Items

For the nine months period ended December 31, 2009, net profit before tax and extraordinary items aggregated to Rs 174.92 million. Our Net Profit Margin for the said period was 9.49%.

Net Profit/(Loss) After Tax and Extraordinary Items

For the nine months period ended December 31, 2009, net profit after tax and extraordinary items aggregated to Rs 157.63 million. Our Net Profit Margin for the said period was 8.91%.

Year ended March 31, 2009 compared to Year ended March 31, 2008

Income

Sales

Our net sales increased marginally by 1.54% from Rs. 2,125.29 million in Fiscal 2008 to Rs. 2,157.99 million in Fiscal 2009 on account of the following factors:

- As per the policy decision of our Company, our Company decided to reduce its sales from trading activities. Consequently the sales from the products traded by our Company reduced by 47.50% from Rs. 924.24 million in Fiscal 2008 to Rs. 485.27 million in Fiscal 2009.

- In spite of the significant decrease in sales from trading activities our Company registered an increase in net sales on account of our continued focus on our manufacturing activities. Resultantly, our sales from the products manufactured by us increased by 41.29% from Rs. 1,216.97 million in Fiscal 2008 to Rs. 1,719.50 million in Fiscal 2009.

- During the first six months of Fiscal 2009, our Company registered comparatively higher sales from the products manufactured by us as compared to the last six months of Fiscal 2009. Our sales from the products manufactured by us during the second half of Fiscal 2009 were adversely affected by the financial condition of the Indian and global markets on account of global recession. Further, imported wood based panel products were available in India at more competitive prices during the aforesaid period. In spite of these factors, our Company was in a position to register a significant increase in our sales from the products manufactured by us.

Our net sales in Fiscal 2009 represented 99.09% of our total income for the said period, as compared to our net sales in Fiscal 2008 which represented 99.70% of our total income for Fiscal 2008. Our sales from products manufactured by us in Fiscal 2009 represented 78.96% of our total income for the said period, as compared to our sales from products manufactured by us in Fiscal 2008 which represented 57.09% of our total income for Fiscal 2008. Our sales from products traded by us in Fiscal 2009 represented 22.28% of our total income for the said period, as compared to our sales from products traded by us in Fiscal 2008 which represented 43.36% of our total income for Fiscal 2008

Other income

Other income increased by 212.16% from Rs. 6.33 million in Fiscal 2008 to Rs. 19.76 million in Fiscal 2009 on account of increase in our interest income. Our other income in Fiscal 2009 represented 0.91% of our total income for the said period, as compared to our other income in Fiscal 2008, which represented 0.30% of our total income for Fiscal 2008.

Expenditure

Our total expenditure increased by 3.49% from Rs. 1,946.57 million in Fiscal 2008 to Rs. 2,014.44 million in Fiscal 2009 on account of the following factors:

- Our expenditure on account expenditure for raw materials consumed in connection with our manufacturing activities increased by 47.55% from Rs. 537.72 million in Fiscal 2008 to Rs. 793.39 million in Fiscal 2009 on account of our continued focus on our manufacturing activities. However, during the second half of Fiscal 2009 on account of the adverse financial condition of the Indian and global markets due to global recession, and the availability of imported wood based panel products at more competitive prices during the aforesaid period, the increase in aggregate cost of raw material was absorbed by our Company and not passed on to the consumers of the products manufactured by us.

- Our manufacturing and other expenses increased by 13.63% from Rs. 341.57 million in Fiscal 2008 to Rs. 388.14 million in Fiscal 2009 on account of addition of new facilities at Pantnagar and our continued focus on our manufacturing activities.

- The expenditure pertaining to purchase of traded products reduced by 48.55% from Rs. 886.58 million in Fiscal 2008 to Rs. 456.11 million in Fiscal 2009, since our Company decided to reduce its sales from trading activities.

- The staff costs increased by 66.94% from Rs. 56.26 million in Fiscal 2008 to Rs. 93.92 million in Fiscal 2009 on account of increase in salary and pay structure, and increase in labour due to the addition of new facilities at Pantnagar and increase in marketing staff.

- Our finance charges increased by 28.88% from Rs. 154.76 million in Fiscal 2008 to Rs. 199.46 million in Fiscal 2009 on account of increase in credit facilities from Rs. 1,654.18 million as on March 31, 2008 to Rs. 2027.99 million as on March 31, 2009.

- Depreciation increased by 32.90% from Rs. 107.00 million in Fiscal 2008 to Rs. 142.20 million in Fiscal 2009 on account of increase in gross block from Rs. 1,259.01 million in Fiscal 2008 to Rs. 2,024.46 million in Fiscal 2009.

Net Profit/(Loss) Before Tax and Extraordinary Items

For the reasons specified above, Net profit before tax and extraordinary items reduced by 11.75% from Rs. 185.05 million in Fiscal 2008 to Rs. 163.31 million in Fiscal 2009.

Net Profit/(Loss) After Tax and Extraordinary Items

For the reasons specified above, Net profit after tax and extraordinary items reduced by 4.46% from Rs. 167.49 million in Fiscal 2008 to Rs. 160.02 million in Fiscal 2009. Our Net Profit Margin for Fiscal 2009 was 7.35% as compared to the Net Profit Margin in Fiscal 2008, which was 7.86%.

Year ended March 31, 2008 compared to Year ended March 31, 2007

Income

Sales

Our net sales increased substantially by 149.91% from Rs. 850.43 million in Fiscal 2007 to Rs. 2,125.29 million in Fiscal 2008 on account of the following factors:

- Our Company commenced its manufacturing activities in February 2007. Hence in Fiscal 2007 sales from products manufactured by our Company in Fiscal 2007 was for a period of approximately 2 months as compared to Fiscal 2008 where our Company carried out its manufacturing activities through the full Fiscal. During the first half of Fiscal 2008 our Company concentrated in stabilizing its newly commenced manufacturing operations, while during the second half of Fiscal 2008 our Company consolidated its revenues from sale of products manufactured by us by gradually increasing the production and sale of such products. In light of the above, our sales from the products manufactured by us increased from Rs. 24.12 million in Fiscal 2007 to Rs. 1,216.97 million in Fiscal 2008.

- The sales from the products traded by our Company increased by 15.85% from Rs. 797.77 million in Fiscal 2007 to Rs. 924.24 million in Fiscal 2008.

Our net sales in Fiscal 2008 represented 99.70% of our total income for the said period, as compared to our net sales in Fiscal 2007 which represented 99.64% of our total income for Fiscal 2007. Our sales from products manufactured by us in Fiscal 2008 represented 57.09% of our total income for the said period, as compared to our sales from products manufactured by us in Fiscal 2007 which represented 2.83% of our total income for Fiscal 2007. Our sales from products traded by us in Fiscal 2008 represented 43.36% of our total income for the said period, as compared to our sales from products traded by us in Fiscal 2007 which represented 93.47% of our total income for Fiscal 2007.

Other income

Other income increased by 108.22% from Rs. 3.04 million in Fiscal 2007 to Rs. 6.33 million in Fiscal 2008. Our other income in Fiscal 2008 represented 0.30% of our total income for the said period, as compared to our other income in Fiscal 2007, which represented 0.36% of our total income for Fiscal 2007.

Expenditure

Our total expenditure increased by 153.27% from Rs. 768.58 million in Fiscal 2007 to Rs. 1,946.57 million in Fiscal 2008 on account of the following factors:

- The expenditure for raw materials consumed in connection with our manufacturing activities significantly increased from Rs. 37.93 million in Fiscal 2007 to Rs. 537.72 million in Fiscal 2008 for reasons discussed above.

- Similarly, our manufacturing and other expenses increased significantly from Rs. 51.12 million in Fiscal 2007 to Rs. 341.57 million in Fiscal 2008, and staff costs increased from Rs. 8.01 million in Fiscal 2007 to Rs. 56.26 million in Fiscal 2008.

- The expenditure pertaining to purchase of traded products increased by 31.88% from Rs. 672.25 million in Fiscal 2007 to Rs. 886.58 million in Fiscal 2008.

- Our finance charges increased from Rs. 12.54 million in Fiscal 2007 to Rs. 154.76 million in Fiscal 2008 on account of increase in credit facilities from Rs. 949.56 million as on March 31, 2007 to Rs. 1,654.18 million in as on March 31, 2008.

- Depreciation increased from Rs. 7.14 million in Fiscal 2007 to 107.00 million in Fiscal 2008. Since our Company commenced manufacturing operation only in February 2007, a significant portion of depreciation accounted for in Fiscal 2007 was for a period of approximately 2 months.

Net Profit/(Loss) Before Tax and Extraordinary Items

Net profit before tax and extraordinary items increased by 117.99% from Rs. 84.89 million in Fiscal 2007 to Rs. 185.05 million in Fiscal 2008.

Net Profit/(Loss) After Tax and Extraordinary Items

Net profit after tax and extraordinary items increased by 194.62% from Rs. 56.85 million in Fiscal 2007 to Rs. 167.49 million in Fiscal 2008. Our Net Profit Margin for Fiscal 2008 was 7.86% as compared to the Net Profit Margin in Fiscal 2007, which was 6.66%.

Year ended March 31, 2007 compared to Year ended March 31, 2006

Income

Sales

Our net sales increased substantially by 64.36% from Rs. 517.41 million in Fiscal 2006 to Rs. 850.43 million in Fiscal 2007 on account of the following factors:

- Prior to February 2007, our Company was primarily involved in trading activities. Hence our sales of products traded by us increased significantly by 277.73% from Rs. 211.20 million in Fiscal 2006 to Rs. 797.77 million in Fiscal 2007.

- Prior to Fiscal 2007, our Company was also engaged in the business of providing consultancy services in connection with trading, import and export. Our Consultancy income have increased by 184.08% from Rs. 10.30 million in Fiscal 2006 to Rs. 29.26 million in Fiscal 2007.

- During the Fiscal 2006 we focused on the erection and development our manufacturing facility at Pantnagar and we decided to discontinue our manufacturing operations at MIDC, Mhape, Navi Mumbai and our manufacturing facilities were sold to M/s. S N Sales Corporation, a partnership firm in which our Company had a partnership interest. The sales from products manufactured by us in Fiscal 2007 were solely on account of commencement of our manufacturing activities at our Pantnagar unit from February 2007. Accordingly, the sales from products manufactured by our Company in Fiscal 2006 reduced from Rs. 295.91 million in Fiscal 2006 to Rs. 24.12 million in Fiscal 2007.

Our net sales in Fiscal 2007 represented 99.64% of our total income for the said period, as compared to our net sales in Fiscal 2006 which represented 98.00% of our total income for Fiscal 2006. Our sales from products manufactured by us in Fiscal 2007 represented 2.83% of our total income for the said period, as compared to our sales from products manufactured by us in Fiscal 2006 which represented 56.04% of our total income for Fiscal 2006. Our sales from products traded by us in Fiscal 2007 represented 93.47% of our total income for the said period, as compared to our sales from products traded by us in Fiscal 2006 which represented 40.00% of our total income for Fiscal 2006.

Other income

Other income reduced by 71.27% from Rs. 10.58 million in Fiscal 2006 to Rs. 3.04 million in Fiscal 2007. Our other income in Fiscal 2007 represented 0.36% of our total income for the said period, as compared to our other income in Fiscal 2006, which represented 2.00% of our total income for Fiscal 2006.

Expenditure

Our total expenditure increased by 64.33% from Rs. 467.70 million in Fiscal 2006 to Rs. 768.58 million in Fiscal 2007 on account of the following factors:

- The expenditure for raw materials consumed in connection with our manufacturing activities significantly reduced from Rs. 231.02 million in Fiscal 2006 to Rs. 37.93 million in Fiscal 2007 on account of our decision to discontinue our manufacturing operations at MIDC, Mhape, Navi Mumbai.

- However, our manufacturing and other expenses increased significantly from Rs. 23.85 million in Fiscal 2006 to Rs. 51.12 million in Fiscal 2007, on account of development of our Pantnagar unit and commencement of operations therefrom in February 2008.

- Our staff costs increased by 51.13% from Rs. 5.3 million in Fiscal 2006 to Rs. 8.01 million in Fiscal 2007.

- The expenditure pertaining to purchase of traded products increased significantly by 218.99% from Rs. 210.74 million in Fiscal 2006 to Rs. 672.25 million in Fiscal 2007, on account of our continued concentration on our trading activities in Fiscal 2007.

- Our finance charges increased by 98.42% from Rs. 6.32 million in Fiscal 2006 to Rs. 12.54 million in Fiscal 2007 on account of increase in credit facilities from Rs. 377.76 million as on March 31, 2006 to Rs. 949.56 million as on March 31, 2007.

- Depreciation increased from Rs. 1.15 million in Fiscal 2006 to Rs. 7.14 million in Fiscal 2007. Since our Company commenced manufacturing operation only in February 2007, a significant portion of depreciation accounted for in Fiscal 2007 was for a period of approximately 2 months.

Net Profit/(Loss) Before Tax and Extraordinary Items

Net profit before tax and extraordinary items increased by 40.80% from Rs. 60.29 million in Fiscal 2006 to Rs. 84.89 million in Fiscal 2007.

Net Profit/(Loss) After Tax and Extraordinary Items

Net profit after tax and extraordinary items increased by 42.62% from Rs. 39.86 million in Fiscal 2006 to Rs. 56.85 million in Fiscal 2007. Our Net Profit Margin for Fiscal 2006 was 7.55% as compared to the Net Profit Margin in Fiscal 2007, which was 6.66%.

Restatement adjustments

For further information on the restatement adjustments to our financial statements for fiscal 2007 and 2008, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Restatement Adjustments*" above.

Liquidity and Capital Resources

Our requirement for liquidity and capital primarily arises from the capital cost of the expansion, our and our working capital requirements. Historically, we have relied upon a combination of cash generated from operations, working capital facilities from banks and financing arrangement with vendors to fund our requirements and issue of equity shares.

The following table sets forth certain information relating to our cash flows for the periods indicated:

(Rs. in million)

	Nine Months Period Ended December 31,	Year ended March 31,		
	2009	2009	2008	2007
Net cash from (used in) operating activities	69.99	423.09	(276.32)	8.23
Net cash from (used in) in investment activities	15.86	(640.07)	(327.43)	(786.47)
Net cash from/(used in) financing activities	(80.00)	180.28	609.20	733.82
Net increase/(decrease) in cash and cash equivalents	5.85	(36.70)	5.45	(44.42)

Contractual obligations

The following table provides certain information relating to our total indebtedness as of December 31, 2009:

	Total indebtedness as of December 31, 2009 (Rs. in million)
Secured	1,925.35
Unsecured	191.50

We maintain debt levels that we establish through consideration of a number of factors, including requirements for the expansion of our manufacturing activities, cash flow expectations, cash requirements for operations, and our overall cost of capital. See section "*Our Indebtedness*" - Annexure [●] of our restated financial statements on page 136 for additional information about our borrowings.

As of December 31, 2009, we had outstanding secured debt of Rs. 1,925.35 million.

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain such consents in a timely manner, or at all, could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the amendment of our charter documents, any merger, amalgamation, reconstruction, consolidation, restructuring, reorganization or other similar transaction, as well as transactions related to a change in our shareholding pattern (whether legal or beneficial) or management structure, where our Company is not the surviving entity or as a result of which an event of default arises, and undertaking any winding-up or liquidation proceedings. Some of our financing agreements are also be subject to certain conditions and covenants, including the absence of a material adverse change in our business, assets, financial condition, prospects and credit standing, specified financial ratios and maintaining our shareholding and management structure. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe such covenants or conditions under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. A default may also require us to apply dividends issued on securities held by our Company towards the payment of such loan obligations. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

For further information, please see the section titled “Financial Statements” beginning on page 136 of the Draft Red Herring Prospectus.

Capital Expenditure

Historical Capital Expenditure

The table below sets forth certain information with respect to our historical capital expenditure in the periods indicated:

(Rs. in million)

	Nine Months Period Ended December 31,	Year Ended March 31,		
	2009	2009	2008	2007
Intangible Assets	-	-	-	2.00
Tangible Assets				
Plant & Machinery	109.54	594.50	33.08	1,055.97
Other Tangible Assets	8.20	170.95	29.30	159.31
Capital work-in-progress	(8.56)	(130.87)	154.90	(429.33)
Total capital expenditure incurred	**109.18**	**634.58**	**217.28**	**787.95**

We have incurred significant capital expenditure in connection with our manufacturing facilities at Pantnagar.

Planned Capital Expenditure

We expect to incur significant additional capital expenditure and other capital costs in connection with the proposed expansion as described in the section titled “*Objects of the Issue*” beginning on page 39 of the Draft Red Herring Prospectus.

Our capital expenditure plans are based on management estimates and are subject to a number of variables, including availability of financing on acceptable terms, desirability of current plans and macroeconomic factors such as the economy or factors affecting the wood based panel industry. For additional information relating to our capital expenditure plans, see "*Objects of the Issue*" on page 39.

Contingent Liabilities and Off Balance Sheet Arrangements

Contingent liabilities as of the periods specified below included the following:

(Rs. in million)

Particulars	As at December 31, 2009	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Corporate Guarantees given on behalf of others.	85.00	75.00	-	-	-	-
Obligations for Export Commitment under EPCG. (Refer note a below)	146.30	149.37	153.41	138.59	39.52	0.68
Obligation in respect of Advance License	5.37	-	4.53	4.53	-	-
Total	**236.67**	**224.37**	**157.94**	**143.12**	**39.52**	**0.68**

The Company has imported Plant and Machinery as duty free under Export Promotion Capital Goods Scheme (EPCG). According to this scheme, the Company can import capital goods without payment of import duties, however it has to make exports equivalent to 8 times of the amount of duty saved. These exports have to be made within eight years from the date of import out of which 50% exports has to be made within six years. The management is confident that the same will be fulfilled within specified time period hence provision for the amount of duty saved is not required in the financial statements.

The Company imports certain raw material as duty free under Advance License scheme. As per this scheme the Company has to export finished goods equivalent to the consumption of duty free raw material imported. The management of is confident that the same will be fulfilled within specified time period i.e. till December 4, 2011

For further information, see Note [●] to our restated financial statements on page 136.

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We have entered into and expect to enter into transactions with a number of related parties. For further information regarding our related party transactions, see "*Related Party Transactions*" on page 134 and Schedule [●] of our restated financial statements on page 136.

Qualitative Disclosure about Market Risks

General

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. While all our revenues is denominated in Indian rupees, a significant portion of our expenses, including cost of products traded by us and import of raw material and other goods for our manufacturing facilities, are denominated in currencies other than Indian rupees, most significantly the Euro. We also expect our future capital expenditure in connection with our trading activities and import of raw material and other goods for our manufacturing activities to include expenditure in foreign currencies. Depreciation of the Indian rupee against the Euro and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency or any proposed capital expenditure in foreign currencies.

Known Trends or Uncertainties

Other than as described in the Draft Red Herring Prospectus, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page xiv and page 137, respectively, of the Draft Red Herring Prospectus, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described in the Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

We do not believe our business to be seasonal.

Future Relationship between Costs and Income

Other than as described in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages xiv and 137, respectively, of the Draft Red Herring Prospectus, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base in the form of furniture manufacturers, builders, architects and customers in the enterprise segment and our business is not dependent on any significant customer or customers.

Competitive Conditions

We expect competition in the wood based panel and furnishings industry from existing and potential competitors to intensify both from competitors in India as well as overseas manufacturers and importers. For further details regarding our competitive conditions and our competitors, see the sections "*Risk Factors*" and "*Our Business*" beginning on pages xiv and 74, respectively.

Significant developments after December 31, 2009 that may affect our future results of operations

To the best of our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next twelve months. Except as stated in the Draft Red Herring Prospectus, there is no development subsequent to December 31, 2009 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to impact our accounting policies or the manner of our financial reporting. However, the Institute of Chartered Accountants of India has announced a road map for the adoption of, and convergence of Indian GAAP with, IFRS, pursuant to which all public companies in India, such as us, will be required to prepare their annual and interim financial statements under IFRS beginning with financial year commencing April 1, 2013. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and our Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by the 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) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, Group Companies and Directors.

The amounts which have not been quantified for the outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and our Group Companies, may have adverse material effect on the future operations of our Company.

1. LEGAL PROCEEDINGS INITIATED BY OR AGAINST OUR COMPANY

A. Legal Proceedings initiated against our Company

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

(i) Purushottam Das and others have filed a petition for special leave to appeal vide appeal (civil) no (s) 5391/2007 dated March 09, 2007 before the Hon'ble Supreme Court of India against our Company, our Managing Director, Agarwal and others, in connection with an order dated October 10, 2006, issued by the Hon'ble High Court of Uttarakhand allowing a writ petition filed by our Company against the aforenamed appellants. The special leave to appeal has been filed on the grounds that the writ petition filed before the Hon'ble High Court of Uttarakhand is not maintainable and no notices were issued to aforenamed appellants and the writ petition was disposed off. The appeal was filed by our Company before the Hon'ble High Court in connection with the breach of agreement for the sale of land entered into between the appellant and our Company. The appellants in the aforementioned petition have inter-alia sought special leave to appeal against the aforesaid order, and an ad-interim ex-parte order staying the operation of the aforesaid order. The Hon'ble Supreme Court of India pursuant to the order dated December 18, 2008 have allowed an appeal and remitted the matter to the High Court for disposal of the writ petition afresh in accordance with law after giving opportunity of hearing to the parties. The said proceedings are pending hearing and final disposal.

(ii) One M/s. Thamarapally Brothers have filed writ petition against the Designated Authority, Directorate General of Anti Dumping and Allied Duties before the Hon'ble High Court of Kerela, challenging the imposition of provisional anti-dumping duty by the Government of India in connection with plain MDF boards *inter-alia* under the provisions of the Customs Tariff Act, 1975 read with the Customs Tariff (Identification Assessment and Collection of Anti-Dumping Duty on Dumped Articles and Determination of Injury) Rules. Our Company has been impleaded as a respondent to the aforesaid proceedings along with the two other major manufacturers of MDF boards, namely M/S. Nuchem Limited and M/s. Mangalam Timbers Limited. The aforementioned petitioner has *inter-alia* sought a writ of certiorari for calling on the records leading to issuance of the order in connection with the aforesaid imposition and for quashing the said order, and writ of mandamus *inter-alia* for withdrawal of the findings by the Designated Authority, Directorate General of Anti Dumping and Allied Duties. The aforesaid proceedings are pending hearing and final disposal.

B. Legal Proceedings initiated by our Company

CRIMINAL PROCEEDINGS

(i) Our Company has filed a criminal complaint (criminal case no. 1962/SS/09) dated June 3, 2009 pursuant to section 138 of the Negotiable Instruments Act against Hindukush Motors before the Metropolitan Magistrate, Mumbai, and others, in connection with an alleged dishonour of a cheque for an amount of Rs. 714,359/- issued by the defendants in favour of our Company against the supply of prelaminated and plain particle and MDF board by our Company to the defendants. The said proceedings are pending hearing and final disposal.

(ii) Our Company has filed a criminal complaint (criminal case no. 6130/SS/05) dated April 16, 2005 pursuant to section 138 of the Negotiable Instruments Act against Frontier Trading before the Metropolitan Magistrate, Mumbai, and others, in connection with an alleged dishonour of a cheque for an amount of Rs. 82,286,165/- issued by the defendants. The said proceedings are pending hearing and final disposal.

CIVIL PROCEEDINGS

NIL

2. LEGAL PROCEEDINGS INITIATED BY OR AGAINST OUR DIRECTORS

A. Legal Proceedings initiated against our Directors

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

(i) Purushottam Das and others have filed a petition for special leave to appeal vide appeal (civil) no (s) 5391/2007 dated March 09, 2007 before the Hon'ble Supreme Court of India against our Company, our Managing Director, Mr. Rakesh Kumar Agarwal and others, in connection with an order dated October 10, 2006, issued by the Hon'ble High Court of Uttarakhand allowing a writ petition filed by our Company against the aforenamed appellants. The special leave to appeal has been filed on the grounds that the writ petition filed before the Hon'ble High Court of Uttarakhand is not maintainable and no notices were issued to aforenamed appellants and the writ petition was disposed off. The appeal was filed by our Company before the Hon'ble High Court in connection with the breach of agreement for the sale of land entered into between the appellant and our Company. The appellants in the aforementioned petition have inter-alia sought special leave to appeal against the aforesaid order, and an ad-interim ex-parte order staying the operation of the aforesaid order. The Hon'ble Supreme Court of India pursuant to the order dated December 18, 2008 have allowed an appeal and remitted the matter to the High Court for disposal of the writ petition afresh in accordance with law after giving opportunity of hearing to the parties. The said proceedings are pending hearing and final disposal.

B. Legal Proceedings initiated by our Directors

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

NIL

3. LEGAL PROCEEDINGS INITIATED BY OR AGAINST OUR PROMOTERS

A. *Legal Proceedings initiated against our Promoters*

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

(i) Purushottam Das and others have filed a petition for special leave to appeal vide appeal (civil) no (s) 5391/2007 dated March 09, 2007 before the Hon'ble Supreme Court of India against our Company, our Managing Director, Mr. Rakesh Kumar Agarwal and others, in connection with an order dated October 10, 2006, issued by the Hon'ble High Court of Uttarakhand allowing a writ petition filed by our Company against the aforenamed appellants. The special leave to appeal has been filed on the grounds that the writ petition filed before the Hon'ble High Court of Uttarakhand is not maintainable and no notices were issued to aforenamed appellants and the writ petition was disposed off. The appeal was filed by our Company before the Hon'ble High Court in connection with the breach of agreement for the sale of land entered into between the appellant and our Company. The appellants in the aforementioned petition have inter-alia sought special leave to appeal against the aforesaid order, and an ad-interim ex-parte order staying the operation of the aforesaid order. The Hon'ble Supreme Court of India pursuant to the order dated December 18, 2008 have allowed an appeal and remitted the matter to the High Court for disposal of the writ petition afresh in accordance with law after giving opportunity of hearing to the parties. The said proceedings are pending hearing and final disposal.

(ii) Mr. Jaicksin Wadhumal Balani and others have filed a chamber summons before the Hon'ble High Court of Bombay inter-alia praying that the High Court reject an execution application filed by AIPL in connection with execution of a decree dated January 17, 2005 issued by the Hon'ble Court of the Civil Judge (Junior Division), Chandigarh, in favour of AIPL, and that AIPL be restrained from seeking any order and/or injunction for attachment of any property in execution of the aforementioned decree. The said proceedings are pending hearing and final disposal.

B. *Legal Proceedings initiated by our Promoters*

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

(i) AIPL has initiated arbitral proceedings dated July 15, 2008 against Tech Mahindra Limited before an arbitral tribunal comprising of Mr. Justice D. R. Dhanuka as a presiding arbitrator, Justice S.K. Desai and Mr. Ashwin Ankhad, in connection with an alleged dispute relating to a termination of leave and license agreement dated December 22, 2005 executed between AIPL and Tech Mahindra Limited. Pursuant to the aforesaid leave and license agreement, our Company has given the office space in the premises located at Plot no. 6/19, Marol Cooperative Industrial Estate Limited, Marol, Mumbai on leave and license basis for a period of 60 months with effect from January 1, 2006 to the respondents. In connection with the aforesaid arbitral proceedings on April 8, 2009 respondents have handed over the vacant possession of the premises to our Company and pursuant to an order dated July 27, 2009 by arbitral tribunal the only claims pending arbitration are monetary claims by the respondents for the period after the leave and license agreement was terminated. The said proceedings are pending further hearing and final disposal.

4. LEGAL PROCEEDINGS INITIATED BY OR AGAINST OUR GROUP COMPANIES

A. *Legal proceedings initiated against our group companies*

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

NIL

B. Legal Proceedings initiated by our group companies

CRIMINAL PROCEEDINGS

NIL

CIVIL PROCEEDINGS

(i) Asis Logistics Limited has filed a complaint dated October 14, 2009 before the Senior Inspector, Saitan Chowki Police Station, Dadar (west) against Mr. Saurav Ghosh and employees of the inland transport division of our Company and franchisees for investigating the matter involving misappropriation of funds, cheating, fraud, unlawful activities individually by employees of our Company, for investigating the fraud committed by the franchisees for misappropriation of funds against the bogus and fraudulent transactions, for helping the Company for recovering the amount fraudulently claimed from the Company and identifying other employees who have committed fraud against the Company.

5. DETAILS OF PAST PENALTIES IMPOSED ON OUR COMPANY OR ANY OF OUR DIRECTORS

NIL

6. DETAILS OF PENDING PROCEEDINGS INITIATED FOR ECONOMIC OFFENCES AGAINST OUR COMPANY OR ANY OF OUR DIRECTORS

NIL

7. INVESTIGATION PROCEEDINGS INITIATED BY THE ASSISTANT COMMISSIONER OF SALES TAX, MUMBAI

During the financial year ended March 31, 2009 relevant sales tax authorities carried out investigations at two offices of our Company in Mumbai from March 4, 2009 to March 6, 2009. Our Company responded to the queries raised by the sales tax authorities vide a letter dated March 7, 2009. Post investigations the sales tax authorities have detained certain documents of our Company for further investigation. Vide a letter dated March 20, 2009 our Company provided certain documentary evidence in connection with our aforesaid response dated March 7, 2009. We are awaiting final disposal and/or further orders from the relevant sales tax authorities in connection with the aforesaid proceedings.

8. COMPOUNDING APPLICATIONS FILED BY OUR COMPANY

(i) The Auditors' Report on the audited financial statements of our Company for the financial years ended March 31, 2008 and 2009 contained certain qualifications and adverse remarks, which have not been dealt with or explained in the report of the board of directors of our Company, as required under Section 217 (3) of the Companies Act. Accordingly, our Company could be held liable for violating the aforesaid provision of the Companies Act. Since an offence, if any, in connection with the aforesaid is not punishable with imprisonment only, or with imprisonment and also with fine, our Company has submitted an application for compounding of any offence(s) in connection with the aforesaid violation before the Registrar of Company. Our Company is awaiting further orders in connection with the aforesaid application from the Registrar of Companies, Mumbai.

(ii) Our Company has completed buyback of 2,134,000 equity shares with effect from March 30, 2008 from Asis Industries Private Limited. Subsequently, our Company has within a period one month from the date of buyback allotted 5,00,000 and 9,80,000 equity shares to Hindustan Infrastructure Projects and Engineering Limited and

Gemini Industries and Imaging Limited, respectively on April 25, 2008 which is not in compliance with section 77A(8) of the Companies Act, pursuant to which if a company completes buy back of its shares or other specified securities it shall not make any further issue of the same kind of shares within a period of six months. Accordingly, our Company could be held liable for violating the aforesaid provision of the Companies Act. Since an offence, if any, in connection with the aforesaid is not punishable with imprisonment only, or with imprisonment and also with fine, our Company has submitted an application for compounding of any offence(s) in connection with the aforesaid violation before the Registrar of Company. Our Company is awaiting further orders in connection with the aforesaid application from the Registrar of Companies, Mumbai.

9. SHOW CAUSE AND OTHER NOTICES RECEIVED BY OUR COMPANY

(i) M/s. Sahastraa Exports Private Limited, through their legal counsels have issued a notice dated November 3, 2009 to our Company under Section 138 of the Negotiable Instruments Act alleging that two cheques issued by our Company for amounts of Rs. 716,803 and Rs. 664,000 had been dishonoured and returned by the bankers of M/s. Sahastraa Exports Private Limited with a remark of "payment stopped by the drawer", and accordingly M/s. Sahastraa Exports Private Limited demanded that the aforesaid amount of Rs. 1,380,803 be paid by our Company within a period of fifteen days from the date of receipt of the said notice. Our Company has filed a response to the advocates of M/s. Sahastraa Exports Private Limited on November 20, 2009 in connection with the said notice refuting the allegations made therein by stating that they have fulfilled the payment of Rs. 13,00,000/- and also have taken a pay order no. dated November 06, 2009 from Union Bank of India, Mumbai for balance of Rs. 11,98,976/- payable to M/s. Sahastraa Exports Private Limited.

(ii) The office of the assistant commissioner of Customs, Moradabad, ("**Customs Authority**"), has issued a demand cum show cause notice dated November 12, 2009 against our Company alleging that our Company has made insufficient payment of additional customs duty in connection with certain quantity of particle boards imported by our Company. Accordingly, the Customs Authority has sought to recover an amount of Rs. 107,922 from our Company and have called upon our Company to show cause as to why the additional customs duty allegedly not paid/short paid by our Company should not be recovered, and interest at the applicable rate should not be demanded from our Company. Our Company responded to the aforesaid demand cum show cause notice vide a letter dated December 12, 2009 alleging that the demand to pay differential duty by the Customs Authority is incorrect and requesting the Customs Authority to set aside the aforesaid demand. Our Company has not received any further correspondence in connection with the aforesaid show cause notice thereafter.

10. Our Company does not owe a sum exceeding Rs. 100,000 to any small scale undertaking, which has been outstanding for more than 30 days as on March 31, 2010.

GOVERNMENT AND OTHER APPROVALS

*We have received the necessary permissions/approvals/no-objections/certifications/registrations, (collectively "**Authorisations**"), from GoI and various governmental agencies required for our present business and except as disclosed in the Draft Red Herring Prospectus no further approvals are required for carrying on our present business. The objects clause of the Memorandum of Association enables our Company to undertake its existing activities.*

A. Approvals in relation to the Issue

- The Board of Directors has, pursuant to a resolution passed at its meeting held on March 15, 2010 authorized the Issue.
- The shareholders of our Company have, pursuant to a resolution passed at their EGM held on March 15, 2009, authorized the Issue.
- Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

B. Authorisations for our Operations:

1. Authorisations obtained by our Company: The following Authorisations have been obtained by our Company and are subsisting as on the date of this Draft Red Herring Prospectus:

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
1.	Permanent Account Number (**"PAN"**)	PAN number allotted to our Company is AABCS9402N	Income Tax Department, Government of India	March 13, 1994	-
2.	Tax deduction Account Number (**"TAN"**)	TAN number allotted to our Company is MUMS26935G	Income Tax Department, Government of India	-	-
3.	Certificate of Importer Exporter Code (**"IEC"**)	IEC number allotted to our Company is 0394002768	Foreign Trade Development Officer, Government of India, Ministry of Commerce.	November 18, 2005	-
4.	Allotment of Code Number	Allotment of code number M.H/BAN/47419 to our Company located at A Wing Mhatre Pen Building, IInd Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400058 under Employees Provident Fund and Miscellaneous Provisions Act, 1952.	Employees Provident Fund Organization.	January19, 2005.	-
5.	Allotment of Service Tax Code	Allotment of STC number AACFS3288CST001 to	Assistant Commissioner of Income Tax	September 23, 2004	

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
	(**"STC"**) number	our Company located at Mumbai			
6.	Certificate of Registration	Certificate of registration vide registration number PT/R/1/1/28/14502 granted to our Company located at A Wing Mhatre Pen Building, IInd Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400058 under sub section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Sales Tax Officer, Mumbai.	May 31, 2006	-
7.	Certificate of Registration	Certificate of registration under the Central Sales Tax (Registration & Turnover) Rules, 1957 granted to our Company located at A Wing Mhatre Pen Building, IInd Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400058. Pursuant to the grant of registration certificate our Company has been registered as a dealer under section 7(1) & 7(2) of the Central Sales Tax Act, 1956	Registration Officer, Sales Tax Department, Maharashtra	April 01, 2006	
8.	Certificate of Registration	Certificate of registration under section 69 of the Finance Act, 1994 granted to our Company located at 'A' Wing, 2nd Floor, Mhatre Pen Building, Senapati Bapat Marg, Dadar (West), Mumbai for payment of service tax on business auxiliary	Superintendent, Central Excise, Service Tax, Mumbai.	September 24, 2004	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		service.			
9.	Registration-Cum-Membership Certificate	Certificate of registration vide registration number PLEPC/S/739/2007-2008 granted to our Company located at A' Wing, 2nd Floor, Mhatre Pen Building, Senapati Bapat Marg, Dadar (West), Mumbai. Our Company is registered as a manufacturer exporter for the goods/services such as laminates(decorative/industrial) coated papers/PVC/papers laminated on door shutters and plywood	The Plastics Export Promotion Council	March 27, 2008	March 31, 2012
10.	Import/Export License	Import/Export license vide license number 0330022498/2/11/00 issued by Directorate General of Foreign Trade under Foreign Trade Regulations to our Company located at A Wing Mhatre Pen Building, IInd Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400058. Pursuant to license amendment sheet dated February 20, 2009 exporter type category of our Company has changed from merchant exporter to manufacturer exporter for the export of plastics	Office of Joint Director General of Foreign Trade, Mumbai	February 20, 2009	February 19, 2012
11.	Allotment of Code Number	Allotment of code number 34/3011/90 to our Company located at A 467, TTC, Industrial Area, MIDC, Mhape, Navi Mumbai- 400705 for registration of employees and factories/	Employees State Insurance Corporation, Regional office Maharashtra.	October18, 2006	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		establishments under section 2 A of the Employee State Insurance Corporation Act, 1948			
12.	Certificate of Registration	Certificate of registration granted to our Company under Section 16 of Value Added Tax Act, 2002 located at A 467 TTC Industrial Area MIDC, Mhape Krishi HTP, Anna Bazar, Navi Mumbai- 400705	Registration Officer, Sales Tax Department, Government of Maharashtra.	April 1, 2006	-
13.	Certificate of Registration	Certificate of registration granted to our Company under Section 16 of Value Added Tax Act, 2002 located at Bhoir Complex Gala No 2 and 3, Anjur Phata Road, Near Rehanal Village, Bhiwandi, Maharashtra	Registration Officer, Sales Tax Department, Government of Maharashtra.	April 1, 2006	-
14.	Certificate of Registration	Registration certificate of establishment granted under Bombay Shops and Establishments Act, 1948 to our Company having its place of business at Santacruz (west), Mumbai- 400054	Inspector under the Bombay Shops and Establishments Act, 1948	June 26, 2007	December 31, 2010
15.	Certificate of Registration	Certificate of registration under the Central Sales Tax (Registration & Turnover) Rules, 1957 granted to our Company having its place of business at New Delhi. Pursuant to the grant of registration certificate our Company has been registered as a dealer under section 7(1) & 7(2) of the	Sales Tax Officer	October 29, 1998	

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		Central Sales Tax Act, 1956			
16.	Certificate of Registration	Certificate of registration under the Delhi State Tax Rules, 1975 granted to our Company having its place of business at New Delhi. Pursuant to the grant of registration certificate our Company has been registered as a dealer under section 14 of the Delhi Sales Tax Act, 1975.	Sales Tax Officer.	October 29, 1998	-
17.	Certificate of Registration	Certificate of registration under section 22 of the Karnataka Value Added Tax Act, 2003 granted to our Company having its place of business at Bangalore.	Assistant Commissioner of Commercial Taxes	March 29, 2007	-
18.	Certificate of Registration	Certificate of registration vide reference no ABS/04/01/2498/2003-2004 granted to our Company having its place of business at Kattelmandi, Hyderabad under section 12(1) and (2) Andhra Pradesh General Sales Tax Act, 1957.	Asst. Commercial Tax officer, Commercial Taxes Department, Hyderabad.	December 08, 2003	-
19.	Certificate of Registration	Certificate of Registration vide CST No. ABS/04/1/1892/2003-2004 granted to our Company having its place of business at Goshamahal, Hyderabad under rule 5(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957.	Assistant Commercial Tax Officer, Commercial Tax Department, Hyderabad	December 08, 2003	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
20.	Certificate of Registration	Certificate of registration under section 7(1)/7(2) of the Central Sales Tax Act, 1956 granted to our Company having its place of business at Purasawalkam, Chennai.	Commercial Tax Officer.	March 20, 2007	-
21.	Certificate of Registration	Certificate of registration granted to our Company under the Tamil Nadu Value Added Tax Act 2006 for the place of business located at Purasawakkam, Chennai. Our Company is registered as a dealer under the Tamil Nadu Value Added Tax Act, 2006 with Tax Payer's Identification Number: 33461122468	Commercial Tax Officer, Government of Tamil Nadu, Commercial taxes department	March 20, 2007	-
22.	Certificate of Registration	Central Excise Registration Certificate under rule 9 of the Central Excise Rules, 2002 vide registration number AABCS9402NXM001 granted to our Company for the place of business located at survey number 1066/1A, 1065/3A1A, 1065/32A, Chengal Choolaimedu, Sunnambukulam Road, Elavur, Gummidipoondi, TamilNadu-601201	Assistant Commissioner of Central Excise	January 02, 2009	-
23.	Letter of Approval	Approval vide letter number R. Dis No. (D1) 3072/09 granted to our Company for setting up a project at Chengal Choolaimedu, Sunnambukulam Road, Elavur, Gummidipoondi,	Chief Inspectorate of Factories	March 23, 2009	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		TamilNadu-601201			
24.	NOC	NOC by TamilNadu Fire and Rescue Services Department for the installation of fire safety system as per NBC of India granted to our Company for the site located at Elavur village, Gummidipoondi Taluk, Thiruvallur	Director, Fire and Rescue Services Department	July 03, 2009	-
25.	Letter of Approval	Single window approval granted to our Company for manufacture of prelamination of particle boards and MDF boards, decorative laminates and industrial laminates and furniture components and modular furniture in Elavur Village, Gummidipoondi Taluk	TamilNadu Industrial Guidance & Export Promotion Bureau	August 04, 2009	-
26.	Consent Order	Consent for establishment under section 25 of the Water (Prevention and Control of Pollution) Act, 1974 vide consent order number 4817 for the proceedings number T16/TNPCB/168/TVL R/OL/W/2009 granted to our Company for the site located at Elavur village, Gummidipoondi Taluk, Thiruvallur	TamilNadu Pollution Control Board	February 05, 2009	February 04, 2011 or till our Company obtains consent to operate under section 25 of the Water (Prevention and Control of Pollution) Act, 1974
27.	Consent Order	Consent for establishment under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 vide consent order number 4760 for the proceedings number T16/TNPCB/168/TVL R/OL/A/2009 granted	TamilNadu Pollution Control Board	February 05, 2009	February 04, 2011 or till our Company obtains consent to operate under section 21 of the Air (Prevention and Control of Pollution) Act, 1981

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		to our Company for the site located at Elavur village, Gummidipoondi Taluk, Thiruvallur			
28.	Certificate of Registration	Certificate of registration under section 22 of the Karnataka Value Added Tax Act, 2003 granted to our Company having its place of business at Bangalore.	Assistant Commissioner of Commercial Taxes	March 29, 2007	-
29.	Letter from State Industrial Development Corporation of Uttarakhand (**"SIDCUL"**)	Letter vide reference no 7444/GM/SIDCUL/05 by SIDCUL granting "Mega Status" to our company.	General Manager, State Industrial Development Corporation of Uttarakhand Limited	July 20, 2005	-
30.	Central Empowered Committee (**"CEC")** Order	Order vide order no F.No.2-7/CEC/SC/2005 granted by CEC to our Company giving permission for grant of license for the establishment of wood based industry in Uttarakhand	Member Secretary, Central Empowered Committee (constituted by the Supreme Court of India in writ petition (Civil No. 202/95 & 171/96).	June 21, 2005	
31.	Certificate of Registration	Certificate of registration under section 69 of the Finance Act, 1994 granted to our Company located at Sidcul, Rudrapur for payment of Service Tax on service of Goods Transport Agency (**"GTA"**)	Superintendent, Central Excise, Range II, Rudrapur, Uttarakhand	August 21, 2006	-
32.	ISO Certificate	DIN EN ISO 9001:2008 certificate granted by TUV NORD to our Company for the premises located at SIDCUL, Pantnagar, Uttarakhand for the manufacture and supply of particle board, MDF board, pre- laminated	Certification Body al TUV NORD CERT GmbH	February 12, 2009	February 11, 2012

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		particle and MDF board and decorative laminate			
33.	Bureau of Indian Standards (**"BIS"**) Certificate	Grant of BIS certification marks license no. CM/L-9617187 as per IS 14587/1998 to our Company located at Pantnagar, Uttarakhand to use the standard mark in respect of prelaminated medium density fibre board.	Bureau of Indian Standards	August 16, 2009	August 15, 2010
34.	License for the use of standard mark	License for the use of standard mark vide license no. 9600978 granted to our Company located at Pantnagar, Uttarakhand under Bureau of Indian Standards Act, 1986, for the use of standard mark	Bureau of Indian Standards	June14, 2007	June10, 2010
35.	License for the use of standard mark	License for the use of standard mark vide license no. 9601071 granted to our Company located at Pantnagar, Uttarakhand under Bureau of Indian Standards Act, 1986, for the use of standard mark	Bureau of Indian Standards	June14, 2007	June10, 2010
36.	BIS certificate	Grant of BIS certification marks license no. CM/L-9632082 as per IS 12406:2003 to our Company located at Pantnagar, Uttarakhand to use the standard mark in respect of MDF boards for general purposes.	Bureau of Indian Standards	November 01, 2009	October31, 2010
37.	NOC	NOC vide certificate no N-2/F.S./05 granted to our Company by Fire Brigade Office for	Fire Brigade Office, Rudrapur (Uddham Singh Nagar)	September 07, 2005	

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		setting up of factory at Pantnagar, Uttarakhand			
38.	NOC	NOC vide certificate no 271/SBA/05 granted to our Company from Collector's Office for setting up of factory at Pantnagar, Uttarakhand	District Officer, Collectors Office, Rudrapur (Uddham Singh Nagar)	September 12, 2005	
39.	Letter of Approval	Approval letter vide letter no 40/AEP/P/SIDA/2007 approving the drawings of the plant to be set up on Plot No 1, Sector No-9, IIE, Pantnagar.	State Industrial Development Authority of Uttarakhand	April 25, 2007	April 25, 2010
40.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 3106/SIA/IMO/2005 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur memorandum filed for manufacture of plain Medium Density Fibre (**"MDF"**) & particle board.	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	June 29, 2005	-
41.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 3111/SIA/IMO/2005 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur memorandum filed for manufacture of MDF board & prelaminated particle board.	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	June 30, 2005	-
42.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 301/SIA/IMO/2006 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	January 17, 2006	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
		memorandum filed for manufacture of decorative laminates			
43.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 1634/SIA/IMO/2006 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur memorandum filed for manufacture of formaldehyde	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	March 30, 2006	-
44.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 5023/SIA/IMO/2006 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur memorandum filed for manufacture of formaldehyde	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	December 07, 2006	-
45.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement no 449/SIA/IMO/2008 granted to our Company located at Pantnagar, Uttarakhand regarding industrial entrepreneur memorandum filed for manufacture of prelaminated board and item/article made from particle boards	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	February 19, 2008	-
46.	Letter of Approval	Approval letter vide letter no 2-7/CEC/SC/2005-Pt.III granted by CEC to our Company for the manufacture of plain particle board and plain MDF board and value added products in Uttarakhand	Member Secretary, Central Empowered Committee (constituted by the Supreme Court of India in writ petition (Civil No. 202/95 & 171/96).	February 23, 2006	-

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
47.	No Objection Certificate (**"NOC"**)	NOC vide certificate no UEPPCB/H.O./NOC-392/05/1089 granted to our Company by Uttarakhand Environment Protection and Pollution Control Board, Dehradun for setting up a factory at Pantnagar, Uttarakhand for the manufacture of plain particle board, prelaminated particle board, MDF board and pre-laminated MDF board.	Member Secretary, Uttarakhand, Environment Protection and Pollution Control Board, Dehradun	October 06, 2005	
48.	Letter of Approval	Certificate vide reference number 49/PS/2005 granted to our Company for the manufacture of particle board and MDF board	Department of Industrial Development Government	February 15, 2004	
49.	Environmental Clearance	Environmental clearance vide reference number J-11013/73/2004-IA-II (I) granted to our Company for the manufacture of particle board and MDF board	Additional Director, Ministry of Environment % Forests, Government of India	December 07, 2004	
50.	Letter of Approval	Approval vide reference number 1534/20-37 of Forest Department granted to our Company for the factory located at Pantnagar, Uttarakhand	Forest Department, State Government Department, Uttarakhand State Government	December 29, 2004	
51.	License for establishment of equipments	License vide license number 72/T.K./2005 granted by Forest Department to our Company for the factory located at Uttarakhand	Forest Department, State Government Department, Uttarakhand State Government	December 05, 2005	
52.	Sanction Letter	Sanction letter vide letter number 5357 granted to our Company for the factory located at Uttarakhand	Uttarakhand Power Corporation	December 28, 2005	

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
53.	Letter of Acknowledgement	Acknowledgement letter vide acknowledgement number 3285/SIA/IMD/2009 granted to our Company for the plant located at Coimbatore regarding manufacture of decorative laminates	Ministry of Commerce and Industry, Secretariat for Industrial Assistance	December 16, 2009	-
54.	Certificate of Registration	Certificate of registration vide registration number CB15728 and grant of license vide factory inspector license number 062335 for the years 2009 and 2010 granted to our Company for the factory located at Annur, Coimbatore. In accordance with Factories Act, 1948, the license is issued for not more than 50 labourers and not more than 250 HP in any single day of working.	Deputy Chief Inspector of factories, I-Division, Coimbatore, TamilNadu	March 18, 2010	December 31, 2010
55.	Certificate of Registration	Certificate of registration issued by Central Excise Department to our Company located at Annur, Coimbatore in regard to the taxable service of transport of goods by road	Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	November 21, 2009	-
56.	Certificate of Registration	Certificate of registration vide taxpayer identification number 33461122468 granted under TamilNadu Value Added Tax Act, 2006 to our Company for the branch located at SF No. 170/2, Annur-Mettupallayam Road, Pogular (Post), Annur-641697, TamilNadu	Assistant Commissioner, Commercial Taxes Department, Government of TamilNadu	September 09, 2009	

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
57.	Certificate of Registration	Central excise registration certificate vide registration number AABCS9402NEM002 granted to our Company located at Annur, Coimbatore	Deputy Commissioner, Central Board of Excise and Customs	October 05, 2009	
58.	Letter of Approval	Approval granted by TamilNadu Electricity Board for L.T.C.T service meter card in respect of service connection number 235 in the name of M/s Ari Fabrics Limited *(Premises at Coimbatore have been leave and licensed to our Company by Ari Fabrics Limited)*	TamilNadu Electricity Board	March 09, 1990	
59.	Letter of Approval	Approval granted by Tamil Nadu Pollution Control Board for establishing the facility for the manufacture of main products (sewage treatment plant) to our Company located at Annur, Coimbatore	TamilNadu Pollution Control Board	December 22, 2009	
60.	Letter of Approval	Approval granted by Tamil Nadu Pollution Control Board for establishing the facility for the manufacture of main products (air pollution control measures) to our Company located at Annur, Coimbatore	TamilNadu Pollution Control Board	December 22, 2009	
61.	Consent Order	Consent order vide number DEE/TPR/W-020/ESTT in case of proceedings number: F.TPR 2492/OM/DEE/TPR/W /2009 for Water (Prevention and Control of Pollution) granted to our Company located at Annur, Coimbatore	TamilNadu Pollution Control Board	December 22, 2009	December 13, 2011

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
62.	Consent Order	Consent order vide number DEE/TPR/A-020/ESTT in case of proceedings number: F.TPR 2492/OM/DEE/TPR/A/ 2009 for Air (Prevention and Control of Pollution) granted to our Company located at Annur, Coimbatore	TamilNadu Pollution Control Board	December 22, 2009	December 13, 2011
63.	Factory License	License to construct, extend or take into use any building as a factory made by our Company for the factory located at Annur, Coimbatore	Chief Inspector, TamilNadu	March 29, 2010	-
64.	Certificate of Registration	Certificate of registration vide CST No 869232/7.03.07 granted under section 7(1) and 7(2) of the Central Sales Tax Act, 1956 to our Company for the principal place of business located at Purasawalakam, Chennai	Commercial Tax Officer	March 07, 2007	-

2. Authorisations applied for by our Company:

Sr. No.	Type of Application	Details of the Application	Authority	Date of application
1.	Application for registration and grant or renewal of license	Application vide application number 793273523 for registration and grant for renewal of license to our Company located at A Wing Mhatre Pen Building, IInd Floor, Senapati Bapat Marg, Dadar (West), Mumbai-400058 under Bombay Shops and Establishment Act, 1948.	Inspector under Bombay Shops and Establishment Act, 1948.	March 15, 2010
2.	Application for clearance	Application vide reference number I.A. No. WBI 550 for clearance of MDF board/particle board/ block board/ rubber board/ plywood/ flush doors for the	Member Secretary, Central Empowerment Committee, New Delhi	March 15, 2010

Sr. No.	Type of Application	Details of the Application	Authority	Date of application
		land located at Gummidipoondi, Tamilnadu		

3. Authorisations for the Objects of the Issue

Except as disclosed above, our Company may be required to obtain certain licenses/registrations/clearances such as Factory License, License for the use of standard mark, Certificate of registration by various authorities and such other licenses as may be required in connection with the setting up of manufacturing facility at Gummidipoondi near Chennai for production of MDF board of thickness 8mm to 25mm and production of MDF board from 2.3mm to 8mm, decorative laminate line, a printing line, pre-lamination lines.

4. Foreign Investment Promotion Board ("FIPB") Approval:

Sr. No.	Type of License/ Certificates	Details of the License	Authority	Issue date	Date of Expiry
1.	FIPB approval letter	Approval from FIPB for foreign equity participation of 14.28% in the paid up capital of Rs 145.07 million of our Company by way of issue of 3 million equity shares of Rs 10/- each to M/s Klinkert Limited, UAE against capitalization of part value of equipments to be supplied by M/s Klinkert Limited.	Government of India, Ministry of finance.	June 3, 2005.	-

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors of our Company has, pursuant to resolutions passed at its meeting held on March 15, 2010, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The Board has, pursuant to a resolution dated March 15, 2010, formed a committee of its Directors, referred to as the IPO Committee which has been authorized by the Board to execute and perform all necessary deeds, documents, assurances, acts and things in connection with the Issue on behalf of the Board.

The shareholders of our Company have, pursuant to resolution dated March 15, 2010 passed at their Extraordinary General Meeting, under Section 81(1A) of the Companies Act, authorized the Issue.

Our Company has also obtained other necessary contractual approvals required for the Issue. For further information, please see the section titled "Government and Other Approvals" beginning on page 166 of the Draft Red Herring Prospectus.

Prohibition by SEBI, RBI or governmental authorities

We confirm that neither (i) our Company, the Promoters, members of the Promoter Group, group companies (which are the companies, firms, ventures, etc., promoted by the Promoters), Directors, persons in control of our Company, nor (ii) companies with which any of the Promoters or Directors are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market.

None of our Company, its Promoters, Promoter Group companies, group companies (which are the companies, firms, ventures, etc., promoted by the Promoters) or relatives of the Promoters, its Directors and the companies in which the Directors are associated as directors, have been declared as willful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

We are eligible for the Issue as per Regulation 26(1) of the SEBI Regulations as explained under*:*

Regulation 26(1) of the SEBI Regulations states as follows:

"An issuer may make an initial public offer, if:

(a.) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:
Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

(b.) it has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years:
Provided that extraordinary items shall not be considered for calculating distributable profits;

(c.) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d.) 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 its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e.) if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

We are an unlisted company complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are, therefore, not required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, we undertake that the number of allottees, to whom Equity Shares will be Allotted in the Issue shall be at least 1,000, failing which the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

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 THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, COLLINS STEWART INGA PRIVATE LIMITED AND YES BANK LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT 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 INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, COLLINS STEWART INGA PRIVATE LIMITED AND YES BANK LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, COLLINS STEWART INGA PRIVATE LIMITED AND YES BANK LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 21, 2010 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 FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED OR ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.

(4) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS-NOTED FOR COMPLIANCE

(5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT 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 AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD 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 SEBI. 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 OUR COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF 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- NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF OUR 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.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 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 BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS."

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Caution- Disclaimer from our Company and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.asisindia.com, or the website of any Promoters, Promoter Group company, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the BRLMs and our Company on April 21, 2010, and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, venture capital funds, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs.250 million, pension funds with minimum corpus of Rs.250 million and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai in India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft 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 the Draft Red Herring Prospectus nor any invitation, offer or 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.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S 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 will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of [●] (IPO Grading Agency)

[●]

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC, situated at Everest, 100, Marine Drive, Mumbai – 400 002, India.

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of the Equity Shares being offered and sold in the Issue. [●] will be the Designated Stock Exchange with which the basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company shall forthwith repay, without interest, all monies received from applicants in reliance on the Red Herring Prospectus. If such money is not repaid within eight days after our Company has become liable to repay it (i.e., from the date of refusal or within 10 weeks 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 expiry of eight days, be liable to repay the monies, with interest at the rate of 15% per annum on the application monies, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges are taken within seven working days of finalization of the basis of allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the legal advisors, the Bankers to the Issue, the lenders and experts; and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

S.R. Batliboi & Co., Chartered Accountants, have given their written consent to inclusion of their name as statutory auditors to our Company and their reports in the form and context in which it appears in the Draft Red Herring Prospectus

[●], a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to being named as an expert for purposes of grading of the Issue and to the inclusion of its grading of the Issue in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

Except the report of [●] in respect of the IPO grading of the Issue annexed herewith and except as stated in the Draft Red Herring Prospectus, we have not obtained any expert opinions.

Issue Related Expenses

The Issue related expenses include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository expenses and listing fees. The estimated Issue expenses are as follows:

Rs.in million

Activity	Expense (Rs. million)	As a % of Total Issue Expenses	As a % of Issue Size
Lead management, underwriting and selling commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
IPO Grading	[●]	[●]	[●]
Registrars' Fees	[●]	[●]	[●]
Fees to Legal Advisors	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Other (Stock exchange fees, SEBI fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Issue Price*

Fees Payable to the BRLMs and the Syndicate Members

The total fees payable to the Book Running Lead Managers and the Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket expenses) will be as per their engagement letter dated [●], a copy of which is available for inspection at our Company's registered office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding between our Company and the Registrar to the Issue dated March 25, 2010 a copy of which is available for inspection at our Company's registered office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds in any of the modes described in the Draft Red Herring Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not made any previous public issues (including any rights issues to the public) in the five years preceding the date of the Draft Red Herring Prospectus.

Our Company had in January 2006 proposed an initial public offering of 65,00,000 Equity Shares pursuant to a draft red herring prospectus dated January 18, 2006 and a red herring prospectus dated June 7, 2006 filed with SEBI and the Registrar of Companies, Mumbai, Maharashtra. Our Company had opened the aforesaid public offer for accepting bids in connection therewith. However, due to adverse market conditions, and other commercial considerations our Company withdrew the aforesaid public offer.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the sections titled "Capital Structure" and "*History and Corporate Structure*" beginning on pages 25 and 102, respectively, of the Draft Red Herring Prospectus, our Company has not made any previous issues of shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Listed Companies under the Same Management

No listed company under the same management within the meaning of section 370(1B) of the Companies Act has made any public or rights issue during the last three years.

Promise v/s performance

There has been no public issue by our Company, any of the Promoter Group companies or by any of our Company's subsidiaries.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of the Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Purchase of Property

There is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, nor was the contract entered into in contemplation of the Issue, nor is the Issue contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

Our Company has not purchased any property in which any of its Promoters and/or Directors, have any direct or indirect interest in any payment made thereunder.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten Business Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has Ms. Neelam Shah, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. She can be contacted at the following address:

Address: "A" Wing, Mhatre Pen Building, IInd Floor, S. B. Marg, Dadar (W), Mumbai – 400028
Tel: 91-22-2431 8550;
Fax: 91-22-2437 2200
Email: ipo@asisindia.com
Website: www.asisindia.com

Other Disclosures

Except as disclosed in the Draft Red Herring Prospectus, the Promoter Group, the directors of the Promoter Group companies or the Directors of our Company have not purchased or sold any securities of our Company during a period of six months preceeding the date on which the Draft Red Herring Prospectus is filed with SEBI.

Disposal of investor grievances by listed companies under the same management as our Company

There is no listed company under the same management as our Company.

Change in Auditors ***(Last three years)***

Sr. No.	Change in auditors	Year	Reason
1.	M/s M.P. Kala, Chartered Accountants	2007	Resignation
2.	M/s. S.R. Batliboi & Associates	2007	Appointment
3.	M/s. S.R. Batliboi & Associates	2008	Resignation
4.	M/s. S.R. Batliboi & Company	2008	Appointment

Capitalization of Reserves or Profits

Except as disclosed in the section titled "Capital Structure" beginning on page 25 of the Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since incorporation.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, please see the section titled "Statement of Tax Benefits " beginning on page 53 of the Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

Interests of Promoters and Directors

Promoters

Mr. Rakesh Kumar Agarwal, Mr. Mukesh Bansal, Mr. Hariram Agarwal, Mr. Sarvesh Agarwal and Asis India Private Limited are the Promoters of our Company. Our Promoters are interested parties in any dividend and distributions made by our Company or to the extent of their shareholding in our Company.

Our Company's Promoters will also be interested in any future contracts that our Company may enter into with any of the Promoter Group companies. Please see the section titled "Our Promoters and Group Companies" beginning on page 123 of the Draft Red Herring Prospectus.

Directors

All the 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 any committee thereof. The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners and/or trustees.

Please also see the sections titled "Related Party Transactions" and "Our Management" beginning on pages 134 and 107 of the Draft Red Herring Prospectus.

Payment or Benefit to Officers of our Company

Except as stated otherwise in the Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given during the preceding two years to any of our Company's officers except the normal remuneration rendered as Directors, officers or employees. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Except as stated otherwise in the Draft Red Herring Prospectus, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the ASBA Bid-cum-Application 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 the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, 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 Registrar of Companies, the RBI, the FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

From our Company

The Board of Directors of our Company has, pursuant to resolutions passed at its meetings held on March 15, 2010, authorized the Issue and approved by the shareholders of our Company pursuant to resolution dated March 15, 2010 under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The Board has, pursuant to a resolution dated March 15, 2010, formed a committee of its Directors, referred to as the IPO Committee which has been authorized by the Board to execute and perform all necessary deeds, documents, assurances, acts and things in connection with the Issue on behalf of the Board.

The shareholders of our Company have, pursuant to resolutions dated March 15, 2010, under Section 81(1A) of the Companies Act, authorized the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and the Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section titled “Main Provisions of Articles of Association” beginning on page 240 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs.10. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time, subject to applicable law, there shall be only one denomination of Equity Shares. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in [●] edition of [●] newspaper in Marathi language with wide circulation, at least two working days prior to the Bid/Issue Opening Date.

Compliance with SEBI Regulations

Our Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

1. The right to receive dividends, if declared;
2. The right to attend general meetings and exercise voting powers, unless prohibited by law;
3. The right to vote on a poll either in person or by proxy;
4. The right to receive offers for rights shares and be allotted bonus shares, if announced;
5. The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
6. The right to freely transfer their Equity Shares; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, please see the section titled "Main Provisions of the Articles of Association" beginning on page 240 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall be in dematerialized form only. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one (1) Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai, India.

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.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares that are Allotted 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 benefits 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. 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.

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:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (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 the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive a minimum subscription of 90% of the Issue including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Furthermore, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of Allottees under the Issue shall not be less than 1,000, failing which the entire application money will be refunded forthwith

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Arrangement for disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only. Marketable lot is one Equity Share. Hence there is no possibility of odd lots.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●]. Provided that Anchor Investors are required to submit their Bid on the Anchor Investor Bidding Date

Restriction on transfer of shares

Except for the lock-in of the post-Issue Equity Shares forming the Promoters' contribution in the Issue and the balance pre-Issue share capital of the Company as detailed in "*Capital Structure*" beginning on page 25 of the Draft Red Herring Prospectus, there are no restrictions on the transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided for in our Articles. Please see the section titled "Main Provisions of the Articles of Association" beginning on page 240 of the Draft Red Herring Prospectus.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment, without assigning any reason therefor. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Regulations, the QIBs shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

ISSUE STRUCTURE

The Issue is comprised of 6,500,000 Equity Shares at the Issue Price for cash, aggregating Rs. [•] million. The Issue will constitute 27.30% of the fully diluted post-Issue paid up capital of our Company.

The Issue is being made through a 100% Book Building Process.

	QIBs##	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares(1)	Up to 3,250,000 Equity Shares.	Not less than 975,000 Equity Shares or the Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 2,275,000 Equity Shares or the Issue size less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue size available for allotment/allocation	Up to 50% of the Issue shall be allotted to QIB Bidders. However, 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: (a) 162,500 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 3,087,500 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs.100,000 and in multiple of [•] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds Rs.100,000 and in multiple of [•] Equity Shares thereafter.	[•] Equity Shares.
Maximum Bid	Such number of Equity	Such number of Equity Shares	Such number of Equity Shares

	QIBs##	Non-Institutional Bidders	Retail Individual Bidders
	Shares not exceeding the Issue size, subject to applicable limits.	not exceeding the Issue size, subject to applicable limits.	whereby the Bid Amount does not exceed Rs.100,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply(2)	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub accounts (other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, Mutual Funds registered with SEBI, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million, pension funds with minimum corpus of Rs.250 million in accordance with applicable law and the National Investment Fund and insurance funds set up and managed by the Indian Army, Navy or Air Force.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the *Karta*), companies, corporate bodies, scientific institutions, any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual, societies and trusts	Individuals (including HUFs in the name of the *karta* and Eligible NRIs) applying for Equity Shares such that the Bid Amount per individual Bidder does not exceed Rs.100,000 in value.
Terms of Payment	Full Bid Amount on Bidding. #	Full Bid Amount on Bidding.	Full Bid Amount on Bidding. #

\# *In case of ASBA Bidders, the SCSBs shall be authorized to block such funds in the bank account of the ASBA Bidders that are specified in the ASBA Bid-cum-Application Forms.*

(1) Subject to valid Bids being received at or above the Issue Price. The Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment on a proportionate basis to QIBs, subject to valid bids being received from them at or above the Issue Price.Provided that our Company may allocate up to 30% of the QIB portion

to the Anchor Investors on discretionary basis. 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.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Please see the section titled "Issue Procedure" beginning on page [●] of the Draft Red Herring Prospectus.

(2) 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 the names are in the same sequence in which they appear in the Bid-cum-Application Form.

The QIB Portion includes the Anchor Investor Portion in accordance with the SEBI ICDR Regulations. The Anchor Investor Amount shall be payable at the time of submission of the application forms by the Anchor Investors.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of notification of withdrawal of the issue. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI ICDR Regulations, QIBs are not permitted to withdraw their Bids after the Bid/Issue Closing Date.

Letters of Allotment or Refund Orders

Our Company shall credit each beneficiary account with its depository participant within two working days from the date of the finalization of the basis of allocation. Applicants that are residents of the 68 cities notified by SEBI through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008 will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through Direct Credit, NEFT or RTGS. In the case of other applicants, our Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 15 days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions

have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	**[●], 2010**
BID/ISSUE CLOSES ON	**[●], 2010**

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

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form or incase of bids submitted through ASBA, the designated branches of the SCSBs except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders (ii) till until 5.00 p.m. in case of Bids by Retail Individual Bidders. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are advised that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday). Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

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

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The cap should not be more than 120% of the floor of the Price Band and the Floor Price shall not be less than the face value of Equity Shares. The floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band as disclosed at least two working days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional Business Days after such revision, subject to the Bidding Period not exceeding ten Business Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made under Regulation 26 (1) of the SEBI ICDR Regulations, and through the 100% Book Building Process wherein up to 50% of the Issue shall be allotted on a proportionate basis to QIBs, including up to 5% of the QIB Portion, (excluding Anchor Investor Portion) which shall be available for allocation on a proportionate basis to Mutual Funds only. 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. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through the BRLMs. In case of QIB Bidders, our Company, in consultation with the BRLMs may reject Bids at the time of acceptance of the Bid-cum-Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

The prescribed color of the Bid-cum-Application Form for various categories is as follows:

Category	**Color of Bid-cum-Application Form**
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
ASBA Bidders	[●]
Anchor Investors	[●]
Eligible NRIs applying on a repatriation basis, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[●]

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. 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.

In accordance with the SEBI Regulations, only QIBs can participate in the Anchor Investor Portion.

In respect of QIBs that are Anchor Investors and ASBA Bidders, the issue procedure set out below should be read with, and is qualified by, the section "Issue Procedure" beginning on page 196 of the Draft Red Herring Prospectus, respectively.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.

2. Indian nationals resident in India who are not minors in single or joint names (not more than three).

3. 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.

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.

5. FIIs and sub-accounts registered with the SEBI (other than a sub-account which is a foreign corporate or foreign individual).

6. State Industrial Development Corporations.

7. Insurance companies registered with the Insurance Regulatory and Development Authority, India.

8. Provident Funds with a minimum corpus of Rs.250 million and who are authorized under their constitution to invest in equity shares.

9. Pension funds with a minimum corpus of Rs. 250 million and who are authorized under their constitution to invest in equity shares.

10. 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.

11. Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares.

12. Venture Capital Funds registered with the SEBI.s

13. Foreign Venture Capital Investors registered with the SEBI.

14. Mutual Funds registered with the SEBI.

15. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI Regulations and other regulations, as applicable).

16. Multilateral and bilateral development financial institutions.

17. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in equity shares.

18. Scientific and/or industrial research organizations in India authorized to invest in equity shares.

19. Insurance funds set up and managed by the army, navy and air force of the Union of India and

As per existing regulations, OCBs cannot Bid in the Issue.

Participation by associates of BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Members 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 bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

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 [●] Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the 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 the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office of our Company and with members of the Syndicate.

NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI Category. The Eligible NRIs who intend to make payment through the Non-Resident Ordinary (NRO) account shall use the application form meant for Resident Indians (white form) and shall not use the forms meant for any reserved category.

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid up capital of our Company (i.e., 10% of [●] Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid up capital of our Company or 5% of the total paid-up capital of our Company, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to us, the total FII investment cannot exceed 24% of our Company's total paid-up capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding limit of our Company has been increased to 49% of the post-Issue paid-up capital of our Company.

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 may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favor 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 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.

Associates and affiliates of the Underwriters, including the BRLMs, that are FIIs may issue offshore derivative instruments against Equity Shares notified for allocation or Allotted to them in the Issue.

Bids by the SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) 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 Venture Capital Fund should not exceed 25% of the corpus of the Venture Capital Fund.

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 at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.100,000. Where the Bid Amount is over Rs.100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and is a multiple of [●] Equity Shares. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable laws.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Anchor Investors cannot withdraw their bids after the Anchor Investor Bid/Offer Period.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under paragraph "Payment of Refund" below.

Information for the Bidder:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

3. Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus along with the Bid-cum-Application Form can obtain the same from the Registered Office of our Company or from any of the members of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorized agent(s) to register their Bids.

5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

1. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in and advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation, at least two working days prior to the Bid/Issue Opening Date. The BRLMs and Syndicate Members shall accept Bids from the Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

2. The Bidding Period shall be for a minimum of three working days and shall not exceed ten working days, including the days for which the Issue is kept open in case of a revision in the Price Band. Where the Price Band is revised, the revised Price Band and Bid/lssue Period will be published in and advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation and also by indicating the change on the website of the BRLMs 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 ten working days.

3. During the Bidding Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorized agents to register their Bid. The BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, i.e. one day prior to the Bid/Offer Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

4. Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph "Bids at Different Price Levels") within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same

or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment of Equity Shares in the 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".

6. Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

7. During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bids. 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.

8. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment".

9. The identity of the QIB Bidders shall not be made public.

Bids at Different Price Levels

1. The Bidders can Bid at any price within the Price Band in multiples of Re.1 (Rupee One).

2. Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. 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.

3. In case of a revision of the Price Band, the Bidding Period shall be extended, if required, for three additional working days, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLM, can finalize the Issue Price and Anchor Investor Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

5. The Bidder 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.

6. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs.100,000. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders whose Bid Amount exceeds Rs.100,000 and such Bids from QIB or Non-Institutional Bidders shall be rejected.

7. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the amount payable by the Retail Individual Bidders, who Bid at the Cut-off Price, the Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account in the manner described under the paragraph "Payment of Refund".

8. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs.100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will

be considered for allocation under the Non-Institutional Portion in terms of the 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 before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

9. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

10. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000-7,000.

Escrow Mechanism (Not applicable to ASBA Investors)

Our Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favor the Bidders 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 Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement. 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 Accounts to the Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder shall with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favor of the Escrow Account of the Escrow Collection Bank(s) (see "Payment Instructions" at page 216 of the Draft Red Herring Prospectus), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide their Amount only to the BRLM. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form. The Amount shall be entered and printed on the TRS.

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 the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable mount at the time of submission of the Bid-cum-Application Form. The amount payable by each category of Bidders is mentioned under the heading "Issue Structure". If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. 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 a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing

Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges.\

3. On the Bid/Issue Closing Date, the Members of the Syndicate shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

4. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. The Bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals, not exceeding 30 minutes. A graphical representation of consolidated demand and price will be made available at the bidding centres by the end of each day during the Bidding Period.

5. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

    - Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;

    - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;

    - Numbers of Equity Shares bid for;

    - Bid price;

    - Bid-cum-Application Form number;

    - Amount paid upon submission of Bid-cum-Application Form; and

    - Depository participant identification number and client identification number of the demat account of the Bidder.

6. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. In case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Draft Red Herring Prospectus.

9. The permission given by the NSE and the 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 or the BRLM are cleared or approved by the NSE and the BSE; 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, the Promoters, the management or any scheme or project of our Company.

10. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

11. Only Bids that are uploaded on the online Bidding system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

1. The Bidding process shall only be conducted through an electronically linked transparent bidding facility provided by the Stock Exchanges. 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. The SEBI ICDR Regulations require that the Bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals, not exceeding 30 minutes.

2. The book will be built up at various price levels. This information will be available from the BRLM on a regular basis.

3. During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. 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. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs.100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the member(s) of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the 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 the Cut-off Price.

5. 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 Draft Red Herring Prospectus. In the case of QIB Bidders, 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 to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

6. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**

7. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum-Application Form, the decision of our Company, in consultation with the BRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.

8. 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 Escrow Account.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLMs shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.

2. Our Company, in consultation with the BRLMs, shall finalize the Issue Price and the number of Equity Shares to be allocated in each investor category.

3. The allotment to QIBs will be up to 50% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 15% and 35% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. In case of over-subscription in all categories, up to 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. 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 QIBs in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, will be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to compliance with ICDR Regulations.

   Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

5. The BRLMs, in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

6. Allotment to Eligible NRIs, FIIs (or their permitted sub-accounts) registered with the SEBI or Mutual Funds or FVCIs registered with the SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.

7. Our Company reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning any reasons whatsoever.

8. In terms of the SEBI Regulations, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.

9. If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be repayable to the Anchor Investors.

10. Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

11. The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLMs and the Syndicate Members may enter into an Underwriting Agreement on finalization of the Issue Price.

(b) After signing the Underwriting Agreement, we will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We will file a copy of the Red Herring Prospectus and 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 the Draft Red Herring Prospectus from the SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations, advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that the instructions by our Company for demand credit of the Equity Shares to all investors in this Issue shall be given on the same date of Allotment. For Anchor Investors, see "Notice to Anchor Investors: Allotment Reconciliation and Revised CANs"

(b) The BRLMs or the members of the Syndicate will then send a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.

(c) Bidders who have been allocated Equity Shares and who have already paid 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.

(d) The issuance of a CAN is subject to "Notice to Anchor Investors: Allotment Reconciliation and Revised CANs" and "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

A physical book will be prepared by the Registrar to the Issue. Based on the physical book and at the discretion of the Company and the BRLMs, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bid Closing Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor. In the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, for any increased price of Equity Shares, which shall in no event be later than two days after the Bid/Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepasred by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs will 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 physical book prepared by the Registrar. Subject to the 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.

Designated Date and 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 Escrow Accounts to the Issue Account and the Refund Account on the Designated Date, our Company will ensure the credit to the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

(b) As per the SEBI Regulations, Allotment of the Equity Shares will be only in dematerialized form to the allottees.

(c) Successful Bidders will have the option to re-materialize the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;

(b) Ensure that you Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid-cum-Application Form;

(d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have collected a TRS for all your Bid options;

(g) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Ensure that you mention your PAN allotted under the I.T. Act, irrespective of the amount of the Bid. Applications in which PAN is not mentioned will be rejected. (Please see the section titled "Issue Procedure—Permanent Account Number" beginning on page 218 of the Draft Red Herring Prospectus);

(i) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form; and

(j) Ensure that the Demographic Details are updated, true and correct in all respects.

DON'Ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, postal order, money order or by Stockinvest;

(e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not complete the Bid-cum-Application Form such that the Equity Shares Bid 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 the Draft Red Herring Prospectus;

(h) Do not bid at Bid Amount exceeding Rs.100,000 for in case of a Bid by a Retail Individual Bidder; and

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable (white or blue).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter subject to a maximum Bid Amount of Rs.100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date and QIBs cannot withdraw their Bid after the Bid/Issue Closing Date. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equals to Rs. 100 million and in multiples of [●] Equity Shares thereafter.

7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors for up to 30% of the QIB Portion in accordance with the applicable ICDR Regulations. Only QIBs as defined in regulation 2(1)(zd) of the ICDR Regulations and not otherwise excluded pursuant to item 10(k) of Part A of Schedule XI of the ICDR Regulations are eligible to invest in the Anchor Investor Portion. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors Bid cum Application Forms have been made available for Anchor Investor Portion at our Registered Office and members of the Syndicate.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is atleast Rs. 100 million. A Bid cannot be submitted for more than 30% of the QIB Portion.

(c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

(d) The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

(e) The Company in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.

(f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.

(g) In the event the Issue Price is higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of the shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to the Anchor Investors, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(h) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

(i) The BRLMs nor any person related to the BRLMs shall participate in the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

The minimum number of Allottees in the Anchor Investor Portion shall not be less than:

(a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
(b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper (which is also the regional newspaper) at least two working days prior to the Bid/Issue Opening Date.

The Draft Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the 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 their address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds to the Bidders and it is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Forms. 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 BRLMs nor our Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED 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 ON THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF 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 SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUM-APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to 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 Bidder's sole risk and neither the Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in the Draft Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (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.

See also "Bids under Power of Attorney" given below.

Bids by Non-Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In the names of individuals, or in the names of FIIs or Foreign Venture Capital Funds registered with the SEBI and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

   Bids by Eligible NRIs for a Bid Amount of up to Rs.100,000 would be considered under the Retail Portion for the purposes of allocation and Bids by NRIs for a Bid Amount of more than Rs.100,000 would be considered under the Non-Institutional Portion for the purposes of allocation.

   Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate 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 on the Bid-cum-Application Form. Our Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Non-Residents, Eligible NRIs and FIIs, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In the 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 submitted 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 therefor.

In the case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason therefor.

In the case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the 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 therefor.

In the case of Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the 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 therefor.

In the case of Bids made by Mutual Funds, venture capital funds registered with the SEBI and FVCIs registered with the SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

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 Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the 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 to the Issue shall use Demographic Details as given on the Bid-cum-Application Form instead of those obtained from the Depositories.

PAYMENT INSTRUCTIONS

Our Company shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue. (For further details on Escrow Mechanism, please refer to “Terms of Payment and Payment into the Escrow Account” on Page no 216 of the Draft Red Herring Prospectus)

Payment into Escrow Accounts

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:

1. The Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.

2. Where the above 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.

3. The payment instruments for payment into the Escrow Account should be drawn in favor of:

   (a) In the case of Resident QIB Bidders: “[●]”

   (b) In the case of Non-Resident QIB Bidders: “[●]”

   (c) In the case of Resident Retail and Non-Institutional Bidders: “[●]”

   (d) In the case of Non-Resident Retail and Non-Institutional Bidders: “[●]”

   (e) In the case of Resident Anchor Investors: “[●]”

(f) In the case of Non-Resident Anchor Investors: "[●]"

4. In the case of Bids by Eligible NRIs applying on a 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 NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.

5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by 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 NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.

6. In case of Bids by FIIs and FVCIs registered with the SEBI 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 draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. 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 Refund Account.

8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Issue Account.

10. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

11. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.

12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

13. Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will 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 members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

In this regard, the procedures to be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master document.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. The addresses of all these applications from the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.

4. The applications will be scanned for similar DP ID and client identity numbers. In cases where applications bear the same numbers, these will be treated as multiple applications.

5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and 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 Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by employees in the Issue shall not be treated as multiple bids.

Our Company, in consultation with the BRLMs, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number ("PAN")

Except for Bids on behalf of the Central or State Government, the officials appointed by the courts and residents of Sikkim, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR Number instead of the PAN as the Bid is liable to be rejected on this ground.

Our Company's Right to Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in the Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk. Provided further that, our Company in consultation with the BRLMs, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons therefore.

Grounds for Technical Rejections

1. Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

2. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;

3. Bank account details (for refund) not given;

4. Age of first Bidder not given;

5. 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;

6. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;

7. PAN not stated or GIR number given instead of PAN in the Bid-cum-Application Form;

8. Bids for lower number of Equity Shares than specified for that category of investors;

9. Bids at a price less than the 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 a number of Equity Shares, which are not in multiples of [●];

13. Category not ticked;

14. Multiple Bids;

15. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;

16. Bids accompanied by Stockinvest/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 BRLMs or the Syndicate Members;

19. Bid-cum-Application Form does not have the Bidder's depository account details;

20. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;

21. 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 account number;

22. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

23. Bids by QIBs not submitted through the BRLMs;

24. Bids by OCBs;

25. Bids by U.S. residents or U.S. persons excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act; and

26. Bids by persons who are not eligible to acquire Equity Shares of our Company under any applicable law, rule, regulation, guideline or approval, inside India or outside India.

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 fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated October 15, 2004 among NSDL, our Company and the Registrar to the Issue; and

(b) an agreement dated April 18, 2006 among CDSL, our Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid-cum-Application Form or Revision Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid-cum-Application Form or Bid Revision Form should be identical to those appearing in tshe account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details' in the Bid-cum-Application Form or Bid Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those recorded with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, 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 accounts, refund orders, etc.

PAYMENT OF REFUND

Bidders should note that on the basis of the 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 Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither our Company, the Syndicate Members and the Escrow Collection Banks nor the BRLMs shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS—Payment of refund would be done through ECS for applicants having an account at any of the 68 centres notified by SEBI through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 68 centres, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.

2. NEFT—Payment of refund may 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 at 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.

3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.

4. RTGS—Applicants having a bank account at any of the 68 centres notified by SEBI, and whose Bid Amount exceeds Rs.1 million, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event of failure to provide the IFSC code in the Bid-cum-Application Form, the refund shall be made through the

ECS or direct credit, if eligibility is disclosed. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. Please note that only applicants having a bank account at any of the 68 centres notified by SEBI where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs.1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within fifteen days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs.1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or Direct Credit.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for allotment and trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of the finalization of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, we further undertake that:

- Allotment of Equity Shares only in dematerialized form shall be made within 15 days of the Bid/Issue Closing Date;

- Dispatch refund orders, except for Bidders who have opted to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date; and

- Our Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if allotment is not made or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders 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 Forms or Revision Forms. However, the collection centre of the Syndicate Members 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 an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,***

shall be punishable with imprisonment for a term which may extend to five years".

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue Size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- In the event, that the allocation to Retail Individual Bidders on a proportionate basis results in us breaching the Foreign Investment Limits, Non Resident Indians shall receive such lower proportion of the allocation such as to comply with the Foreign Investment Limits. Such additional Equity Shares would be allocated to the remaining Retail Individual Bidders on a proportionate basis.

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 portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this portion are less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- If the valid Bids in this portion are greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
- In the event, allocation to Non-Institutional Bidders on a proportionate basis results in us breaching the Foreign Investment Limits, Non Resident Indians shall receive such lower proportion of the allocation such as to

comply with the Foreign Investment Limits. Such additional Equity Shares would be allocated to the remaining Non-Institutional Bidders on a proportionate basis.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

Allocation to Anchor Investors shall be made in accordance with SEBI ICDR Regulations.

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) If bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis for up to 5% of the QIB Portion.

(ii) If the aggregate demand from 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 QIB Bidders as set out in (c) below.

(b) In the second instance allocation to all Bidders shall be determined as follows:

(i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds who have received allocation as per (b) 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.

(iv) In the event allocation to remaining QIB Bidders on a proportionate basis results in us breaching the Foreign Investment Limits, non-resident QIB Bidders such as FIIs, FVCIs, and multilateral financial institutions shall receive such lower proportion of allocation such as to comply with the Foreign Investment Limits. Such additional Equity Shares would be allocated to the remaining QIB Bidders on a proportionate basis.

D. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

(i) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to Rs. 2,500 million and a minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date

The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the governing board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●], 2010 and expire on [●], 2010. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The 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.

Method of proportionate basis of Allotment

In the event the Issue is oversubscribed, the basis of Allotment shall be finalized by our Company, in consultation with the BRLMs and 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 BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorized according to the number of Equity Shares applied for by them.

(b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

Each successful Bidder shall be Allotted a minimum of [●] Equity Shares; and

The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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; and

(f) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the BRLMs.

(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 portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs (other than Anchor Investors) and Mutual Funds ("MF")

Issue details

Particulars	**Issue details**
Issue size	200 million Equity Shares
Allocation to QIB (up to 50% of the Issue)	100 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

Sr. No.	**Type of QIBs**	**No. of shares bid for (in Million)**
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	TOTAL	**500**

* *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds)*

Details of Allotment to QIBs Applicants

Type of QIB	**Shares bid for**	**Allocation of 5% Equity Shares to MF proportionately (see note 2 below)**	**Allocation of balance 95% Equity Shares to QIBs proportionately (see note 4 below)**	**Aggregate allocation to Mutual Funds**
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
	(Number of equity shares in lacs)			
A1	500	0	95.1	0

A2	200	0	38.0	0
A3	1,300	0	247.2	0
A4	500	0	95.1	0
A5	500	0	95.1	0
MF1	400	10	76.1	86.1
MF2	400	10	76.1	86.1
MF3	800	20	152.2	172.2
MF4	200	5	38.0	43.0
MF5	200	5	38.0	43.0
	5,000	**50**	**950**	**430.4**

Notes:

1. The illustration presumes compliance with the requirements specified in the Draft Red Herring Prospectus in the section titled "Issue Structure" at page 196 of the Draft Red Herring Prospectus.

2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 95 million Equity Shares i.e., 100—5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 5,000 Lac Equity Shares (including 5 Mutual Fund applicants who applied for 2,000 Lac Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 950 Lac Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 95/495

   For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) × 95/495

   The numerator and denominator for arriving at the allocation of 950 Lac Equity Shares to the 10 QIBs are reduced by 50 Lac shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

Our Company shall credit each Equity Share Allotted to the applicable beneficiary account with its Depository Participant within 15 days of the Bid/Issue Closing Date. Applicants residing at the 68 centres notified by SEBI through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008 will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit and RTGS. In the case of other applicants, the Bank shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the ECS facility. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund within 15 days of the Closing of Issue.

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 our Company, 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 ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily. Our Company has authorized our Company Secretary and Compliance Officer to redress all complaints, if any, of the Bidders participating in the Issue;
- 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 finalization of the basis of Allotment;
- that our Company shall apply in advance for the listing of Equity Shares;
- that the 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 days of the Bid/Issue Closing Date, 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 successful Bidders shall be dispatched within the specified time;
- that the certificates of the Equity Shares/refund orders to the non-resident Bidders shall be dispatched within specified time;
- that no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc; and
- that adequate arrangements shall be made to collect all ASBA Bids and to consider them similar to non-ASBA Bids while finalizing the basis of allotment

Utilization of Issue proceeds

The Board of Directors certifies 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 section 73(3) of the Companies Act;
- details of all monies utilized out of the Issue shall be disclosed under an appropriate heading in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Our Company shall not have recourse to the Issue proceeds until the final listing and trading approvals from all the Stock Exchanges have been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of Bidders proposing to subscribe to the Issue through the ASBA process. Our Company and the Book Running Lead Managers are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process is available at http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please see the above mentioned SEBI link.

ASBA Process

All Investors can submit their Bids through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the 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 Bidding system of the Stock Exchanges. Once the Basis of Allotment is finalised, 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 requisite amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Book Running Lead Managers.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Designated Branch of SCSB, 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.

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 authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the ICDR Regulations, all Investors can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Information for the ASBA Bidders:

a. The Book Running Lead Managers 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 Bidders applying under the ASBA process. Additionally, the Book Running Lead Managers shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the Book Running Lead Manager. 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 Bidders.

d. ASBA Bid cum Application Forms should bear the stamp of the Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

f. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

g. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible Bidders, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such Bidders 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 ICDR Regulations and the 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. If an ASBA Bidder is a Retail Investor and is bitting at the cut-off price then 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 Bidders who have Bid for Equity Shares at or above the Issue Price or at Cut-off Price in case.

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 generates a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

Bidding

1. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in [●] edition of [●] newspaper in Marathi language with wide circulation at least two working days prior to the Bid/Issue Opening Date. The ASBA Bidders can submit only one Bid in the ASBA Bid-cum-Application Form, that is, at Cut-off Price with a single option as to the number of Equity Shares.

2. Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. 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.

3. In case of revision in the Price Band, the Bidding Period shall be extended, if required, for three additional working days subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding

Period, if applicable, shall be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in [●] edition of [●] newspaper in English language, in [●] edition of [●] newspaper in Hindi language and in in [●] edition of [●] newspaper in Marathi language with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLMs, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the ASBA Bidders.

5. The 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 funds in the ASBA Account shall be unblocked to the extent of the difference between the Bid Amount and the subscription amount payable.

6. 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 the 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.

Any Bid Amount paid in cash, by money order or by postal order or by stockinvest, or an 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 until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any, against any 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 specified in the ASBA Bid-cum-Application Form submitted by an ASBA Bidder, will be required to be blocked in the relevant ASBA Account until the finalization 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 or failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic Registration of Bids by SCSBs

1. 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. An SCSB shall not upload any ASBA in the electronic bidding system of the Stock Exchanges 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.

2. The Stock Exchanges will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Designated Branches during the Bidding 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 until such time as may be permitted by the Stock

Exchanges. ASBA Bidders are advised in the event a large number of Bids are received on the Bid/Issue Closing Date, as has been typically experienced in certain public offerings, this may lead to some Bids not being uploaded due to lack of sufficient time to upload, and such Bids that cannot be uploaded will not be considered for allocation in the Issue.

3. Pursuant to Item 12(g) of Part A of Schedule XI, the SEBI Regulations require that the bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding 30 minutes. The aggregate demand and price for Bids registered on electronic facilities of the Stock Exchanges will be uploaded at periodic intervals, not exceeding 30 minutes, consolidated and displayed on-line at all bidding centres as well as on the BSE's website at www.bseindia.com and the NSE's website at www.nse-india.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding Period.

4. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information relating to the Bidder into the online system, including the following details:

    - Name of the Bidder(s);
    - Application Number;
    - Permanent Account Number;
    - Number of Equity Shares Bid for; and
    - Depository Participant identification number and Client identification number of the Bidder's beneficiary account.

    In case of electronic ASBA, the ASBA Bidder shall himself complete the above-mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above-mentioned details in the electronic bidding system provided by the Stock Exchanges.

5. 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 either by the members of the Syndicate or our Company.

6. Such TRS will be non-negotiable and will not, by itself, create any obligation of any kind.

7. 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 BRLMs or the Designated Branches of the SCSBs have been 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, the Promoters, management or any scheme or any scheme or project of our Company.

8. The SCSB may reject the Bids made through the ASBA process if the ASBA Account maintained with the SCSB as specified 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 will have a right to reject the Bids only on technical grounds.

Build Up of the Book and Revision of Bids

1. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

3. After the Bid/Issue Closing Date, the SCSBs shall provide to the Registrar to the Issue aggregate information relating to the total number of ASBA Bid-cum-Application Forms uploaded and the total number of Equity Shares and total amount blocked against the uploaded ASBA Bid-cum-Application Forms. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs and inform the SCSBs of any error or discrepancy. The SCSBs shall be responsible for providing the rectified data within the time specified by the Registrar to the Issue.

4. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation and/or 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.

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 the details provided to it by the SCSBs with the Retail Individual Investors that have applied under the non-ASBA process to determine the demand generated at different price levels.

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. However, the Bidder should note that our Company shall ensure that the instructions for credit of the Equity Shares to all Bidders in this Issue shall be given on the same date of Allotment.

(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 to pay the entire Issue Price for all the Equity Shares allocated to such 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 the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the finalization of the basis of Allotment in the Issue in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Designated Date and 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 shall credit the successful ASBA Bidders' depository accounts within two working days of the date of Allotment.

(b) As per the SEBI Regulations, Allotment of the Equity Shares will be only in dematerialized form to the allottees.

(c) Successful ASBA Bidders will have the option to re-materialize the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are a Resident Retail Individual Investor or a Qualified Institutional Buyer 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 the beneficiary account is activated as Equity Shares will be Allotted in dematerialized 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 or collecting banks (assuming that such collecting banks are not SCSBs), our Company, the Registrar or the BRLMs;

(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 the Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid-cum-Application Form to the Designated Branch of the SCSB;

(k) Ensure that you have correctly checked the authorization box in the ASBA Bid-cum-Application Form, or have otherwise provided an authorization 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 mention your PAN allotted under the I.T. Act irrespective of the amount of the Bid in the Bid-cum-Application Form. Applications in which PAN is not mentioned are liable to be rejected;

(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-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid-cum-Application Form; and

(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 or a Qualified Institutional Buyer;

(b) Do not Bid for lower than the minimum Bid size;

(c) Do not Bid on another ASBA or Non-ASBA Bid-cum-Application Form after you have submitted a Bid to a Designated Branch of an SCSB;

(d) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs shall not be accepted under the ASBA process;

(e) Do not send your physical ASBA Bid-cum-Application Form by post; instead submit it only to a Designated Branch of an SCSB;

(f) Do not complete the ASBA Bid-cum-Application Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs.100,000;

(g) Do not submit the GIR Number instead of the PAN; and

(h) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

(a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

(d) 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

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name, Depository Participant-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 such as their address and occupation ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE ASBA BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED 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, THE PAN IN THE ASBA BID-CUM-APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IF 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 SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID-CUM-APPLICATION FORM.

Since these Demographic Details will be used for all correspondence with the ASBA Bidders, they are advised to update the Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid-cum-Application Form, the ASBA Bidder will be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/allocation advice and letters notifying the unblocking of the bank account of an ASBA Bidder will be mailed to 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 notifying the unblocking of the bank account may be delayed if such documents, once sent to the address obtained from the Depositories, are returned undelivered. Please note that any such delay shall be at the the sole risk of the ASBA Bidder and none of the Designated Branches of the SCSBs, the members of the Syndicate or our Company shall be liable to compensate the ASBA Bidder for any losses caused to such ASBA Bidder due to any such delay or pay any interest for such delay.

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidder (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.

ASBA Bids under Power of Attorney

In case of Bids made under the ASBA process pursuant to a power of attorney, a certified copy of the power of attorney must be submitted along with the ASBA 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 therefor.

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 our Company and the BRLMs may deem fit.

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 ASBA Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal or rejection of the Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of the Bid or in respect of 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 finalization of the basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal or failure of the Issue or until rejection of the ASBA Bid, as the case may be.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid-Cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.

If an ASBA Bidder wants to withdraw the ASBA Bid-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. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.

Joint ASBA Bids

Bids under the ASBA process may be made in single or joint names (not more than three). In case of such joint Bids, 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 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 the section "Issue Procedure – Multiple Bids" beginning on page 218 of the Draft Red Herring Prospectus.

Permanent Account Number

For details, see the section "Issue Procedure – Permanent Account Number ("PAN")" beginning on page 218 of the Draft Red Herring Prospectus.

REJECTION OF ASBA BIDS

The Designated Branches of the SCSBs shall have the right to reject Bids made under the ASBA process if at the time of blocking the Bid Amount in the ASBA Bidder's bank account, the relevant Designated Branch determines that sufficient funds are not available in such Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by the SCSB, our Company will have a right to reject such Bid only on technical grounds.

Further, if any DP ID, Client ID or PAN mentioned in the ASBA Bid-cum-Application Form does not match with the Depository Participant's database, such Bid shall be rejected by the Registrar to the Issue.

Grounds for Technical Rejections under the ASBA Process

In addition to the grounds listed under "Issue Procedure –Grounds for Technical Rejections" beginning on page 219 of the Draft 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. Bid made by categories of investors other than Resident Retail Individual Investors;

4. Authorization for blocking funds in the ASBA Bidder's bank account not ticked or provided;

5. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

6. Signature of sole and/or joint Bidders missing in case of ASBA Bid-cum-Application Forms submitted in physical mode;

7. ASBA Bid-cum-Application Form does not have the stamp of the Designated Branch of SCSB;

8. ASBA Bid-cum-Application Form is not delivered, either in physical or electronic form, by the ASBA Bidder within the specified time and in accordance with the instructions provided in the ASBA Bid-cum-Application Form and the Red Herring Prospectus;

9. 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

10. Revision of any Bid under the ASBA process.

Bidders are advised that Bids under the ASBA process that are not uploaded in the electronic book of the Stock Exchanges due to any of the grounds mentioned above will be rejected.

COMMUNICATIONS

All future communication in connection with Bids made under the ASBA process in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, the ASBA Bid-cum-Application Form number, details of the Depository Participant, the number of Equity Shares applied for, the date of the ASBA Bid-cum-Application Form, the name and address of the Designated Branch of the SCSB where the ASBA Bid-cum-Application Form was submitted, the bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLMs, the Syndicate Members 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.

The ASBA Bidders 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 relevant SCSB, giving full details such as name and address of the applicant, the number of Equity Shares applied for, the 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 Bidder.

Impersonation

For details, see the section "Issue Procedure – Impersonation" beginning on page 222 of the Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY 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, our Company undertakes that:

- Allotment of Equity Shares only in dematerialized form shall be made within 15 days of the Bid/Issue Closing Date;
- Instructions for unblocking of the funds in 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 eight days after our Company becomes liable to repay all moneys received from the applicants, 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 liable to repay the monies, with interest at the rate of 15% per annum on the application monies, 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 and QIBs. For details, see the section "Issue Procedure – Basis of Allotment" beginning on page 223 of the Draft 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 and QIBs. The method of proportionate basis of allocation in the Issue to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders and QIBs. For details, see the section "Issue Procedure – Method of Proportionate basis of allocation in the Issue" beginning on page 225 of the Draft Red Herring Prospectus.

Undertaking by our Company

In addition to the undertakings described under "Issue Procedure – Undertakings by our Company", with respect to the ASBA Bidders, our Company undertakes that adequate arrangements shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilization of Issue Proceeds

For details, see the section "Issue Procedure – Utilization of proceeds of the Issue" beginning on page 228 of the Draft Red Herring Prospectus.

Description of Equity Shares

For details of the rights of members regarding voting, dividend, lien on shares and the process for modification of such rights and forfeiture of shares, see "Terms of the Issue" and "Main Provisions of the Articles of Association" beginning on pages 192 and 240 of the Draft Red Herring Prospectus, respectively.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

SHARE

Article 5

The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of Rs. 10/- (Rupees Ten) each.

Article 6

Subject to the provisions of these Articles shares shall be under the control of the Board who may allot or, otherwise dispose of the same to such persons on such terms and conditions, and at such times, as the Board think fit.

Provided that where at any time subsequent to the first allotment of shares, It is proposed to increase the subscribed capital of the Company by the issue of new shares, then, subject to any directions to the contrary which may be given by the Company in general meeting, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act. Option or right to call of shares shall not be given to any person or persons except with the sanction of the Company In General Meeting.

Article 7

As regard all allotments made from time to time the Company shall duly comply with Section 75 of the Act.

Article 8

If the Company shall offer any of its shares to the public for subscription:

(a) No allotment thereof shall be made, unless the amount stated in the Red Herring Prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription.

(b) The Company shall comply with the provisions of sub-section (4) of Section 669 of the Act.

And if the Company shall propose to commence business on the footing of a statement in lieu of Red Herring Prospectus, the Board shall not make any allotment of shares payable in cash unless seven at least of the shares proposed to be issued shall have been subscribed for on a cash footing by seven members and the Section 70 of the Act shall have been complied with.

Article 9

The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 per cent of the price at which any shares, in respect whereof the same is paid, are issued or 2.5 per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Article 10

Subject to the provisions of these Articles, the Company shall have power to issue preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds dividend or out of the proceeds of a fresh issue of shares-made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act, exercise, such power in such manner as may be provided in these Articles.

Article 11

With the previous authority of the Company in general meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act the Board may issue at a discount, shares of a class already issue.

Article 12

If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall be the member registered in respect of the share or by his executor or administrator.

Article 13

Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

Article 14

Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court if competent jurisdiction or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

Article 15

Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered jointly ass members in respect of any share.

Article 16

(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 share capital 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 near as circumstances admit, to the capital paid up on those shares at that date.

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which 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 in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right.

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) After expiry of the time specified in the aforesaid notice 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 them off in such manner and to such person(s) as they may, in their sole discretion, think fit.

(2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(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 the 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 or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

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 other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

Article 17

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

CERTIFICATE

Article 18

Subject the provisions of the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof share scripts shall be issued as follows -

(a) The certificate of the shares and duplicate thereof, when necessary, shall be issued under the Seal of the Company which shall be affixed in the presence of (i) Two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two persons acting as attorneys for two Directors as aforesaid; and (ii) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such share certificate; provided that if the composition of the Board permits of it, at least, one of the aforesaid two directors shall be a person other than a Managing or whole time director.

(b) 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 may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case maybe. Every certificate of shares shall be under the seal of the Company and shall specify the numbers 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 or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

(c) 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 is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificates under 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, decrepit 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 Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

In the case of loss: Where a certificate has been issued, in place of a certificate which has been defaced, torn or old, decrepit, worn-out, lost or destroyed, or where the cages in reverse for recording transfers have been duly utilised, it shall state on the face of it and against the stub or counter-foil that it is issued in lieu of a share certificate or is a duplicate issued for the one so defaced, torn or old, decrepit, worn-out, lost or destroyed, or where the cages in the reverse for recording transfers have been duly utilised, as the case may be, and, in the case of a certificate issued in place of one which has been lost or destroyed the word "duplicate" shall be stamped or punched in bold letters. across the face thereof. For every certificate issued under this Article except for a certificate issued in place of an old, decrepit, or worn-out certificate or in place of a certificate the cages in the reverse whereof for recording transfers have been duly utilised, there shall be paid to the Company the sum of Rs. 2/- or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence the Board may determine provided that no fee shall be charged for issuing new certificates when sub-division or consolidation of share certificate is made into lots of market unit.

(d) Where a new share certificate has been issued in pursuance of the last preceding Article, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificate indicating against the name of the person to whom the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross-references in the "Remarks" column. All entries made in the Register or Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes of sealing and signing the share certificate under paragraph (a) hereof.

DEMATERIALISATION OF SECURITIES

Article 19
Definition for the purpose of this Article:

(i) 'Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force and it includes where appropriate, the Rules made there under.

(ii) 'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

Words expressions used and not defined in this Article shall have the meaning assigned to them in the Depositories Act. The provisions contained in this Article shall prevail notwithstanding anything to the contrary in any other Article.

(iii) "Dematerialisation / Rematerialisation of Securities.

The Company shall be entitled to dematerialise its securities and offer fresh securities in physical or dematerialised form in terms of and in conformity with the Depositories Act and extant Regulations in force and confirming to the Bye laws of the Depositories.

(iv) Provisions of Articles to apply to securities held in depository

Except specifically provided in these Articles, the provisions relating to Joint-holders of shares, calls, lien on shares forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository.

(v) Transfer of securities
Transfer of securities held in Depository shall be governed by the Depositories Act and extant Regulations in force.

(vi) Board to decide on Depository

The Board in its discretion shall decide the effective date from which depository option will be made available to the members.

CALLS

Article 20

The Board may with the sanction of the general Meeting, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

Article 21

If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the member for the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

Article 22

No call shall exceed one-half of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Article 23

If by the term of issue of any share or otherwise any amount is made payable at any fix time or by instalments at fixed times, whether on account of the amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provision herein contained in respect of calls shall relate to such amount or instalment accordingly.

Article 24

On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover and debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the Register as a holder, or one of the members in respect of the share for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that, a quorum was present at the Board 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.

Article 25

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 dividends. 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.

Article 26
A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

Article 27

If any member fails to pay any call or instalment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call of instalments remains unpaid, serve a notice on such member 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.

Article 28

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

Article 29

If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect.
Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Article 30

When any share shall have been forfeited, notice of the resolution 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Article 31

Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

Article 32

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annual the forfeiture there6f upon such conditions as it thinks fit.

Article 33

A person whose share has been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay, and shall without any deduction or allowance for the value of shares at the time of forfeiture, but shall not be under any obligation to do so.

Article 34

A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited 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 shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such shares is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money. nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture sale or disposition.

Article 35

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any 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 to be exempt from the provisions of this clause.

Article 36

For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have arrived and until notice in writing of the intention to sell shall have been served on such member his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice.

Article 37

The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

Article 38

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 share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share and 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.

Article 39

Where any share under the powers in that behalf herein contained is sold the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share the Board may issue a new certificate for such share distinguishing it in such manner as it may think fir from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

Article 40

Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the Letter of Allotment of the share. The instrument of and occupation (if any) of the transferee, and the transferor shall be deemed to remain the member in respect of such share until the name of transferee is entered in the Register the respect of thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

Article 41

Applications for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid share be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same mariner and subject to the same conditions as if the application of the transfer was made by the transferee.

Article 42

The instrument of transfer shall be in writing and all the and provisions of Section 108 of the Act, and of any statutory modifications thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.

Article 43

Subject to the provisions of Section 111 of the Act, the Board without assigning any reason for such refusal, may, within one month from the date on which the instrument of transfer was delivered to the Company refuse to register any transfer of a share. Provided that registration of a transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons, indebted to the Company or any account whatsoever except a lien.

Article 44

No transfer shall be made to a minor or person of unsound mind.

Article 45

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred, or, if no such certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer, which shall be registered, shall be retained by the Company, but any instrument of transfer, which the Board may refuse to register, shall be returned to the person depositing the same.

Article 46

If the Board refuses to register the transfer of any share the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

Article 47

A fee not exceeding As. 2/- may be charged for the registration of each transfer and shall, if required by the Board, be paid before the registration thereof. The above fee may be waived if so decided by the Board or so advised by stock exchange with which Company's shares may have been listed.

Article 48

The executor or administrator of a deceased member (not being one of several members registered jointly in respect of a share) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and, in case of the death of anyone or more off the members registered jointly in respect of any share the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased member from any liability on the share held by him jointly with any other person.

Before recognising any executor or administrator the Board may require him to obtain to Grant of Probate or Letters of Administration or other legal representation, as the case may be, from a competent court in India and having effect in Bombay. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate of Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate

Article 49

Any committee of guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or his title as the Board thinks sufficient, may, with the consent of the Board (Which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article is hereunder referred to as "The Transmission Article".

Article 50

(1) If the person so becoming entitled under the Transmission Article shall elect to be registered as member in respect of the share himself, he shall delivered or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer signed by that member.

Article 51

A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of Article 84 and of Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered member in respect of the share. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

INCREASE AND REDUCTION OF CAPITAL

Article 52

The Company in general meeting may from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient.

Article 53

Subject to any special rights or privileges for the time being attached to any hares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions, and with such rights and privileges attached hereto as the general meeting resolving upon the creation thereof, shall direct, arid, if no direction be given, as the Board shall determine, 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.

Article 54

Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance the provisions of Section 79 of the Act, at a discount in default of any such provision, or so far as same shall not extend, the new shares may be issued in conformity with the provisions of Article

Article 54 A

Buy Back of securities.
Subject to the Provisions of section 77A, 77AA and 77B of the Companies act, 1956 and rules framed under Private Limited Company and Unlisted Public Company (Buy Back of Securities) Rules, 1999 as amended from time to time, with the consent of members buy way special resolution passed in the members meeting, the Company may purchase its own shares or other securities (hereinafter referred to as (buy back) out of:

(a) its free reserves, or,

(b) the securities premium account or,

(c) the proceeds of any shares or other specified securities

Provided that no buy back of any kind of shares or securities shall be made out of the proceeds of an earlier issue of the same kind of securities or same kind of other specified securities and shall comply all the provision of section 77A, 77AA, and 77B of the Companies Act, 1956 and rules prescribed in "Private Limited companies and Unlisted Public Company (Buy Back of Securities) Rules, 1999"as amended from time to time.

Article 55

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing Capital of the Company, and shall be subject to the provisions herein contained with reference to the payment of calls and instruments, transfer and transmission forfeiture lien and otherwise.

Article 56

If owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.

Article 57

The Company may from time to time by Special Resolution, reduce its capital and any capital Redemption Reserve Fund or share Premium Account in any manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

Article58

The Company in General Meeting may -

(a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.

(b) Sub-divide its existing shares; or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the subdivision the proportion between the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

(c) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount its share capital by the amount of the shares so cancelled.

(d) Convert all or any of its fully paid shares into stock and re-convert that stock into fully paid up shares of any denomination.

Article 59

The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject, nevertheless to the provisions of Sections 85, 87, 88 and 106 of the Act.

Article 60

Subject to the provision.3 of Sections 100 to 105 inclusive of the Act, the Board may accept from any number the surrender on such terms and conditions as shall be regard of all or any of his shares.

MODIFICATION OF RIGHTS

Article 61

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, the modified, commuted, effected, abrogated varied or dealt with by agreement between the Company and any person such agreement is (A)consented to in writing by the holders of at least three-fourths of the issued shares of that class or (B) sanctioned by resolution passed at a separate general meeting of the holders of Shares of that class in accordance with Section 106(1) (b) of the Act and all the provisions hereinafter contained as to general meetings shall, mutatis, mutandis, apply to every such meeting, except that the quorum thereof shall be not less than two persons holding or representing to proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implications to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act to forwarding a copy of any such agreement or resolution to the Register.

BORROWING POWERS

Article 62

The Board may, from time to time, as its discretion, subject to the provisions of Sections 292 and 370 of the Act, raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of moneys for the purposes of the Company; provided that the Board shall not, without the sanction of the Company in general meeting, borrow by the

Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is too say, reserve not set aside for any specific purpose.

Article 63

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Article 64

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment, of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debenture with the right to the allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81 (3) of the Act.

Article 65

Save as provided in Section 108 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Article 66

If the Board refuses to register the transfer of any debentures the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor.

Article 67

Any debentures, debenture-stock or other Issue of securities may be issued at a discount, premium Debenture or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

GENERAL MEETINGS

Article 68

The Statutory Meeting of the Company shall, as required by Section 165 of the Act, be held at such time being less than one month nor more than six months from the date at which the Company shall be "entitled to commence business and at such place as the Board may determine, and the Board shall comply with the other requirements of that Section as to the report to be submitted and otherwise.

Article 69

In addition to any other meetings, general meeting of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and, subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting Any other meeting of the Company shall, except in the case where as Extraordinary General Meeting is covered under the provisions of the next following Article, be called a "General Meeting".

Article 70

The Board may, whenever it thinks fit, call a general meeting and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of the Company as at the date carried the right of voting in regard to the manner to be considered at the meeting, forthwith proceed to call an Extraordinary General Meeting, and in the case of such requisition the following provisions shall apply:-

1. The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitions and shall be deposited at the office.

   The requisition may consist of several documents in like form each signed by one or more requisitionists.

2. Where two or more distinct matters are specified in the requisition the acquisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members hereinbefore specified.

3. If the Board does not within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the meeting but any meeting so called shall not be commenced after three months from the date of deposit.

4. Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board shall be held at the office.

5. Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some of them shall for the purposes.

6. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

Article 71

The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

Article 72

Save as provided in sub-section (2) of Section 171 of the Act not less than twenty-one days' notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of "Special Business" a hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act.

Noting of every meeting of the Company shall be given to every member of the Company, to the Company, to the Auditors of the Company and to persons entitled to share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notice to such persons.

The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

Article 73

The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance sheet and the reports of the directors and of the auditors and fix their remuneration and to declare dividends. All other business transacted at an annual general meeting and all business transacted at any other general meeting shall be deemed special business.

Article 74

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

Article 75

Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

Article 76

The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or in unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their members being a member entitled to vote, to be Chairman.

Article 77

If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting, if conveyed upon such requisition as aforesaid, shall be dissolved; but in any other case it stand adjourned to the same day in the next week, at the time and place, or to such other day and at such time and place as the Board may be notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.

Article 78

Every question submitted to a meeting, shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

Article 79

At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by Chairman of his own motion, or by members having not less than one tenth of the total voting power or having paid up share capital of not less than Rs. 1,00,000/- and having the right to vote on the resolution in question and present in the person or by any member or members present in person or by proxy and holding shares in the Company conferring aright to vote on such resolution, a declaration by the Chairman that the resolution has or has not been carried, either unanimously, or by a particular majority, and an entry to that effect in book containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

Article 80

(1) If a poll demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and such time. not being later than forty-eight hours from the time when the demanded was made, and at such place at the Chairman of the meeting directs, and, subject as aforesaid either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(2) The demand of a poll may be withdrawn at any time.

(3) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.

(4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes.

(5) The demand of a poll shall not prevent the continuance of a meeting for the transaction, of any business other than the question on which a poll has been demanded.

Article 81

(1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjournment it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

Article 82

(a) Save as hereinafter provided, on a show of hands every member present in person and being a member registered in respect of Ordinary Shares shall have one vote and every person present either as a General Proxy (as defined in Article 87) on behalf of a member registered in respect of Equity Shares, if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate, being a member registered in respect of Equity Shares, shall have one vote.

(b) Save as hereinafter provided, on a poll the voting rights of a member the registered in respect of Equity Shares shall be specified in Section 87 of the Act.

(c) The members registered in respect of the Preference Shares shall not be entitled to vote at general meetings of the Company except:

(i) On any resolution placed before the Company at a general meeting at the date of which the dividend due or any part thereof remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of such meeting and for this purpose the dividend shall be deemed to be due yearly on the 30th day of September in each year in respect of the yearly period ending on the preceding 31st day of March whether or not such dividend has been declared by the Company or

(ii) On any resolution placed before the Company which directly affects the rights attached to the Preference Shares and for this purpose any resolution for the winding up of the Company or for the repayment or reduction of its share capital shall be deemed to affect the rights attached to such shares. Where the members registered in respect of any Preference Shares has a right to vote on any resolution in accordance with the provisions of this Article, his voting rights on a poll as such member shall, subject to any statutory provision for the time being, applicable, be in the same proportion as the capital paid up on the Preference Shares bears to the total paid up Equity Share Capital of the Company for the time being as defined in Section 87(2) of as a resolution of its Board of Directors under the Provision of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Article 83

Where a Company or to body corporate (hereinafter called "Member Company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member Company at a meeting of the Company, shall not by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, the validity of his appointment. Such person shall be entitled to exercise the same rights and power, including the rights to vote by proxy on behalf of the member Company which he represents, as that member Company could exercise.

Article 84

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 were the member registered in respect of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposed to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or noncoposementis he may vote whether on a show of hands or at a poll by his committes curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

Article 85

Where there are members registered jointly in respect of any share anyone of such person may vote at any meeting either personality or by proxy in respect of such shares as if he were solely entitled thereto, and if more than one of such members be present at any meeting either personally or by proxy, that on of the said members so present whose name stands first on the Register in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed to be members registered jointly in respect thereof.

Article 86

On a poll vote may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorised as aforesaid.

Article 87

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only be called a special Proxy Any other proxy shall be called a General Proxy.

Article 88

A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him or authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

Article 89

A vote given in accordance with the terms of an instrument pointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. 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 that the same has not been revoked.

Article 90

Every instrument appointing a special proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

Article 91

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

Article 92

(a) Any objections as to the admission or rejection of a vote, either, on a show of hands, or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the name, and such determination made in good faith shall be final and conclusive.

(b) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not allowed at such meeting shall be valid for all purposes.

DIRECTORS

Article 93

(i) Subject to the provisions of Section 252 of the Companies Act, 1956 and until otherwise determined by special Resolution the number of the Directors of the Company shall not be less than three or more than twelve.

(ii) If at any time the Company obtains any loans from any financial institution and/or any Central or State Government referred to in this Article as “The Corporation” or enters into underwriting arrangements with the Corporation and it is a term of such loan or of the underwriting arrangement that the Corporation shall have the right to appoint one or more Directors, then subject to the terms and conditions of such loans, or underwriting arrangements the Corporation shall be entitled to appoint one or more Directors, as the case may be to the Board of Directors of the. Company and to remove from office any Directors, so appointed and to appoint another in his place or in the place of a director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorised by it and shall be served at the office of the Company. The Director or Directors so appointed shall not be liable to retire by rotation of Directors in accordance with the provisions of these Articles.

Article 94

Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

Article 95

The present directors of the Company are:
Mr. Rakesh Kumar Agarwal.
Mr. Mukesh Kumar Hariram Bansal
Mr.Hariram BudhramAgarwal
Mr. Sarvesh Hariram Agarwal
Mr. Rajesh Sanghavi
Mr. Mukti Ram Agarwal
Mr. Anand Kumar Jain
Mr. Jasbir Singh

Article 96

The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Directors so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

Article 97

The Director shall not be required to hold any qualification shares.

Article 98

Each Director shall be entitled to receive out of the funds of the Company for attending meeting of the board or committee of the board or any of these adjourned sittings, for each meeting of the board or committee respectively attended by him a sum not exceeding the limits prescribed under Section 301 of the Act or such smaller sum as may be determined by the Board.

Article 99

The Directors shall be entitled to receive a commission (to be divided between them in such manner as they shall from time to time determined and in default of determination, equally) of one per cent of the Company (computed in the manner referred to in subsection (1) of Section 198 of the Act in any financial year. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company shall be determined in accordance with the subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings, and otherwise incurred in the execution of their duties as Directors.

Article 100

If any Director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing away from Bombay for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then subject to Section 198, 309 and 31 0 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration to which he may be entitled

Article 101

The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number fails below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Article 102

The Office of a Director shall ipso facto be vacated if at any time he commits any of the acts as set out in Section 283 of the Act.

Article 103

No Director, no partner, or relative of a Director no firm in which a Director or his relative is a partner, no private Company of which a Director is a Director or member and no Director, or Manager of such a private Company shall, without the previous consent of the Company of profit under the Company or under any subsidiary in respect of such office or place is paid over to the Company or its holding Company in so far as such remuneration is over and above the remuneration to which he is entitled as a Director of such subsidiary) except that of a Managing Director, Secretaries and Treasurers, Manager, legal or Technical adviser, banker or trustee for the holders of debentures.

Article 104

No Director of this Company may be or become a Director of any other Company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such Company.

Article 105

Subject to the provisions of Section 297, of the Act a Director neither shall be disqualified from contracting with the Company either as vendor, purchase or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company of which such Director is a member or Director be avoided nor shall any Director so contracting or being such member or so interested be payable to account of the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

Article 106

Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice renewable in the last month of each financial year of the Company, that a Director is a Director or a member of any specified body corporate or is member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure or concern or interest in relation to any contract or arrangement so made and. after such general notice, it shall not be necessary to give special notice relating to any or firm. provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Article 107

No Director shall, as a Director, take any part in the discussion of or vote on any contract or arrangement in which he is any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract or indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or (b) any contract or arrangement entered into or to be entered into by the Company with a public Company, or with a private Company which is a subsidiary of a public Company, in which the interest of the Director consist solely in his being a director of such Company or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company.

ROTATION OF DIRECTORS

Article 108

At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. An additional Director appointed by the Board under Article 96 hereof shall not be liable to retire by rotation within the meaning of this Article.

Article 109

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day those to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

Article 110

Save as permitted by Section 263 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.

Article 111

The Company at the Annual General Meeting at which a Director retires by rotation in manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto.

If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday. at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill that meeting also has not expressly resolved not to fill the vacancy, the retiring

Director shall be deemed to have been re-appointed at the adjourned meeting unless:

(a) at the meeting or at the previous meeting a resolution for the reappointment or such Director has been put to the vote and lost; or

(b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be reappointed, or

(c) he is not qualified for appointment; or

(d) resolution, whether & special or ordinary is .required for his appointment or re-appointment in virtue of any provisions of the Act; or

(e) the provision of sub-section (2) of section 263 of the Act is applicable to the case.

Article 112

The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which Special Notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which Special Notice has been given appoint another person in his stead, if the Director so removed was appointed by the Company in general meeting or by the Board under Article 109. The person so appointed shall hold office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 114.

Article 113

If any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy be appointing thereto any person who has been removed from his of Director under Article 113.

Article 114

No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has not less than fourteen days before the meeting left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office as the case may be and has deposited a sum of Rs. 500 with the Company which shall be refunded in case the candidate is elected as Director otherwise the same will be forfeited.

ALTERNATE DIRECTORS

Article 115

The Board may appoint any person to act as Alternate Director for a Director during the latter's absence for a period not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall not require any qualification and shall ipso factor, vacate office if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

PROCEEDINGS OF DIRECTORS

Article 116

The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined from time to time at any time by the consent of all Directors for the time being in India, meetings of the Board shall take place at the office.

Article 117

A Director may, at any time, convene a meeting of the Board.

Article 118

If at any meeting of the Board, the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their members to be Chairman of such meeting.

Article 119

The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

Article 120

A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, power and discretions by or under these Articles for the time being vested in or exercisable by the Board.

Article 121

Subject to the provisions of Sections 316, 372(4) and 336 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

Article 122

The Board may, subject to the provisions of the Act, from time to time and at any delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

Article 123

The meetings and proceedings of any Committee consisting of two or more members shall be government by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations, made by the Board under the last preceding Article.

Article 124

Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Article 125

Save in these cases where a resolution is required by Sections 262, 292, 297, 316, 372(4) and 386 of the Act, to be resolution shall be as valid and effectual if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such majority of such of them, as are entitled to vote on the resolution

MINUTES

Article 126

(1) The Board shall cause Minutes to be duly entered in books provided for the purpose:-

(a) of the names of the Directors present at each meeting of the Board and of any Committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in, the resolution;
(b) of all orders made by the Board and Committees of the Board;
(c) of all appointments of Directors an(d) other officers of the Company, and
(d) of all Proceedings of general meeting of the Company and of meetings of the Board and Committees of the Board.

The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that no matter need be included in any such Minutes which the Chairman of the meeting, in his absolute discretion, is of opinion:

(a) is, or could reasonably be regarded as, defamatory of any person
(b) is irrelevant or immaterial to the proceedings; of
(c) is detrimental to the interest of the Company.

(2) Any such Minutes of any meeting of the Board or of any Committee of the Board of the Company is general meeting, if purporting to be signed by the succeeding meeting, shall be evidence of the matters stated in such Minutes. The Minute Books of general meetings of the Company shall be kept at the office and shall be open to inspection by members on business days between the hours of 10-30 am and 12.30 P.M.

POWERS TO THE BOARD

Article 127

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statue or by the Memorandum of the Company in general meeting. Provided further that .in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith and duly made there under, including regulations made by the Company in general meeting, but not regulation made by the Company in general meetings shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

LOCAL MANAGEMENT

Article 128

Subject to the provisions of the Act, the following regulations shall have effect.

(1) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specific locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraph shall be without prejudice to the general powers conferred by this paragraph.

(2) The Board may, from time to time and at any time, establish any Local Directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of such local Directorate or any managers or agents and may fix their remuneration and, save as provided in Section 292 of the Act, the Board may, from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such Local Directorate 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 conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annual or vary any such delegation.

(3) The Board may, at any time and from time to time by power-of-Attorney under Seal, appoint any person to be the Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time think fit; any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid, or in favour of any Company or for the members, directors, nominees, or officers of any Company or firm, or in favour of any fluctuating body of persons in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such Power- of-Attorney may contain such provisions for the protection of convenience of dealing with such Attorneys as the Board thinks fit.

(4) Any such delegates or Attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(5) The Company may exercise the powers conferred by Section 50 of the Act with regard to having an Official Seal for the use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act a Foreign Register of members or debenture-holders resident in any such State or country and the Board may from time to time make such regulations as it may think fit respecting the keeping of any such Foreign Register, such regulations not being inconsistent with the provisions of Section 157 and 158 of the Act: and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with the provisions of Sections 157 and 158 of the Act.

MANAGING DIRECTORS

Article 129

Subject to provisions of Section 316 and 317 of the Act the Board may from time to time appoint one or more Directors to be Managing Director or Managing Directors of the Company, either for a fixed term or without any intimation as to the period for which he or they is or are to hold such office, and may from time to time (Subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Article 130

Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold that office, to be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall ipso facto and immediately cease to be a Managing Director. if he ceases to hold office of Director from any cause.

If at any time the total number of Managing Directors is more than one third of the total number of Directors, the Managing Directors who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Managing Directors shall be determined by the dates of their respective appointments as Managing Directors by the Board.

Article 131

Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in additional to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration perquisites as may from time to time be sanctioned by the Company.

Article 132

Subject to the provisions of the Act in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it 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 it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf: and may from time to time revoke, withdraw alter or vary all or any of such powers.

RESERVES

Article 135

The Board may, from time to time before recommending any dividend set apart any such portion of the profits of the Company as it thinks fit as Reserve to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purpose of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserve or any part thereof in the business of Company, and that without being bound to keep separate from the other assets.

Article 136

All moneys carried to the reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purpose of the Company, may subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

CAPITALISATION OF RESERVES

Article 137

Any general meeting may resolve that any moneys, investments, or other assets, forming part of the undivided profits of the Company standing to the credit of the Reserves or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full and unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Article 138

A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.

Article 139

For the purpose of giving effect to any resolution under the two last preceding Articles and Article 149 hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper control shall be filled in accordance with Section 75 of the Act, and the Board may appoint any person to sign such a control on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

DIVIDENDS

Article 140

Subject to the rights of members entitled to shares (if any with preferential or special rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of the Company but so that a partly paid up share shall only entitle the member in respect thereof such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest. rank for dividend confer a right to participate in profits.

Article 141

The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

Article 142

No longer dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.

Article 143

No dividend shall be payable except out of the profits of the Company or out of moneys provided by the General or State Government for the payment of the dividend in pursuance of any guarantee given by such Government.

Article 144

The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Article 145

The Board may, from time to time, pay to the members such interim dividends as appears to the Board to be justified by the profits of the Company.

Article 146

The Board may deduct from any dividend payable to any member all sums of moneys. if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

Article 147

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so, that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off again the call.

Article 148

Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific-assets, and in particular of paid up shares; debentures or debenture-stock of the Company or paid up shares, debentures or debenture-stock of any other Company, or in anyone or more of such ways.

Article 149

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

Article 150

No dividend shall be paid in respect of any share except to the member registered in respect of such shares or to his orders or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to the Company for the payment of the dividend.

Article 151

Anyone of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

Article 152

Notice of any dividend whether interim or otherwise, shall be given to the persons entitled to share there in the manner hereinafter provided.

Article 153

Unless otherwise directed in accordance with Section 206 of the Act. any dividend. interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of members registered jointly to the registered address of the first named in the Register or to such person and such address as the member or members, as the case may be. may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Article 154

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 5 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

SERVICE OF NOTICE AND DOCUMENTS

Article 169

A notice or other document may be given by the Company to any member personally of by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any, within India supplied by him to the Company for the giving of notices to him.

(a) Where a notice or other document is sent by post.

(b) Service hereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with Company a sufficient sum to defray the expenses of doing so, or without acknowledgement due and has deposited with the service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(c) unless the contrary is proved, such service shall be deemed to have been effected :

  (i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and

  (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Article 170

A notice or other document advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India a for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

Article 171

A notice or other document may be served by the Company on the members registered jointly in respect of a share by giving the notice to the joint-holder, named first in the Register.

Article 172

A notice or other document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or until such address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Article 173

Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.

Article 174

Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighbourhood of the office.

Article 175

Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

Article 176

Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom the derives his title to such share.

Article 177

Subject to the provisions of Article 173 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any share, whether registered solely or jointly with other persons, until some other persons be registered in his stead as the member in respect thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

Article 178

Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding up of the Company, every member of the Company who is not for the time being in Bombay shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of an order for the winding up of the Company to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the office upon whom all summonses, notices process, orders and judgements in relation to or order the winding up of the Company may be served and in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator of shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

WINDING UP

Article 185

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 mayor which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a 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 members registered in respect of shares issued upon special terms and conditions.

Article 186

If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators, may with the sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the Liquidators, with the like sanction shall think fit.

INDEMNITY

Article 187

Every Director, Manager, Secretary or officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed Auditor shall be indemnified out of the funds, of the Company against all liability incurred by him as such Director, Manager, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

SECTION IX: 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 the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected 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.

Material Contracts to the Issue

1. Issue Agreement between our Company and the BRLMs dated Aprl 21, 2010.

2. Memorandum of Understanding between our Company and Registrar to the Issue, dated March 25, 2010.

3. Escrow Agreement dated [●], between our Company, the BRLMs, the Syndicate Members, the Escrow Banks and the Registrar to the Issue.

4. Syndicate Agreement dated [●], between our Company, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●], between our Company, the BRLMs.

Material Documents

1. Our Company's Memorandum and Articles of Association, as amended.

2. Our Company's certification of incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Shareholder's resolution dated September 29, 2008 in connection with appointment of Mr. Rakesk Kumar Agarwal, Managing Director of our Company.

6. Shareholder's resolution dated September 30, 2009 in connection with Mr. B.V. Rao, Wholetime Director of our Company.

7. Shareholder's resolution dated September 29, 2008 in connection with Mr. Sarvesh Agarwal , Wholetime Director of our Company.

8. Summary Statements of Assets and Liabilities and Summary Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under SEBI Guidelines and the Companies Act, as at and for the Years Ended March 31, 2005, 2006, 2007, 2008, and 2009 and for the nine months period ended December 31, 2009 of Shirdi Industries Limited examined by S.R. Batliboi & Co., Chartered Accountants and the examination report on the same, dated April 09, 2010.

9. Statement of Tax Benefits from S.R. Batliboi & Co., Chartered Accountants dated April 21, 2010

10. Copies of annual reports of our Company for the years ended March 31, 2005, 2006, 2007, 2008 and 2009.

11. Consent of S.R. Batliboi & Co., Chartered Accountants, for inclusion of their name in the Draft Red Herring Prospectus.

12. Consents of BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

13. IPO Grading Report dated [●] by [●]

14. Initial listing applications, dated [●] and [●] filed with the BSE and the NSE, respectively.

15. In-principle listing approval dated [●] and [●] from the BSE and the NSE, respectively.

16. Tripartite Agreement among NSDL, our Company and the Registrar to the Issue dated October 15, 2004.

17. Tripartite Agreement among CDSL, our Company and the Registrar to the Issue dated April 18, 2006.

18. Due diligence certificate dated April 21, 2010 from the BRLMs to SEBI.

19. SEBI observation letter No. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All 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, as the case may be, have been complied with and no statement made in this Draft 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 regulations issued. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Mr. Rakesh Kumar Agarwal
Executive Director, Managing Director

Sd/-
Mr. Piyush Goyal
Chairman, Non Executive Director
(through his duly constituted attorney, Mr. Rakesh Kumar Agarwal, Managing Director)

Sd/-
Mr. Sarvesh Agarwal
Executive Director, Whole Time Director

Sd/-
Mr. Bankuru Venkateswara Rao
Executive Director, Whole Time Director

Sd/-
Mr. Mukesh Bansal
Non Executive Director

Sd/-
Mr. Ravish Chand Jain
Non Executive Director

Sd/-
Mr. Hariram Agarwal
Non Executive Director

Sd/-
Mr. Anand Kumar Jain
Independent Director

Sd/-
Mr. Jasbir Singh Bhullar
Independent Director

Sd/-
Mr. Sujay Kantawala
Independent Director

Sd/-
Mr. Mahabir P Agrawall
Independent Director

SIGNED BY THE VICE PRESIDENT (ACCOUNTS)

Sd/-
Mr. Hiren Oza
(Vice President (Accounts))

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Sd/-
Ms. Neelam Shah
(Company Secretary and Compliance Officer)

Date: April 21, 2010
Place: Mumbai

APPENDIX A – IPO GRADING REPORT

[●]