



## RADHA MADHAV CORPORATION LIMITED

[Incorporated as Radha Madhav Corporation Limited on January 07, 2005 with the Registrar of Companies, Goa, Daman & Diu at Goa having registered office at Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Daman - 396 210 (U.T.) and obtained Certificate of Commencement of Business on 24th January 2005]

**Registered Office:** Survey No. 50/9 A, Daman Industrial Estate, Kadaiya, Daman - 396 210 (U.T.)

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**Issue of 1,00,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share aggregating Rs. 2,000 Lacs. The Face Value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is 2 times of the Face Value.**

The Issue is being made in terms of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, as amended from time to time, wherein the "Project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded. In case of delay, if any in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs. 10/- per share and the issue price of Rs. 20/- per share is 2 times of the face value. The issue price has been determined and justified by the Lead Manager and the Company as stated under "Basis for Issue Price" paragraph on page 39 should not be taken to be indicative of the market price of the Equity Shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of investors is invited to the statement of 'Risk Factors' beginning on page 6.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Radha Madhav Corporation Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in the 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 make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

Our Equity Shares are proposed to be listed on Bombay Stock Exchange Ltd. (BSE) {Designated Stock Exchange}. We have received the in-principle approval from BSE for listing of Equity Shares vide letter dated October 07, 2005.

#### LEAD MANAGER TO THE ISSUE



**UTI Securities Ltd.**

**SEBI Regn. No.: INM000007458**

Dheeraj Arma, 1st Floor, Anant Kanekar Marg,  
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Website: www.utisel.com

E-mail: rmclipo@utisel.com

Contact Person: Mr. Hitesh Mandot

#### REGISTRAR TO THE ISSUE



**Intime Spectrum Registry Ltd.**

**SEBI Regn. No.: INR000003761**

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

Tel: 022 - 55555491 - 94

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Contact Person: Mr. Vishwas Attavar

### ISSUE SCHEDULE

**ISSUE OPENS ON : 12th December 2005**

**ISSUE CLOSSES ON : 16th December 2005**

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## DEFINITIONS AND ABBREVIATIONS

### Conventional / General Terms

“We”, “Us”, “Our”, “Issuer Company”, “the Company”, “RMCL”, “Radha Madhav Corporation Limited”	Unless the context otherwise implies, refers to Radha Madhav Corporation Limited, a public limited company incorporated under the Companies Act, 1956.
AGM	Annual General Meeting
EGM	Extra Ordinary General Meeting
EPS	Earning Per Share
GIR	General Index Register
HUF	Hindu Undivided Family
PAN	Permanent Account Number
PLR	Prime Lending Rate
RONW	Return on Net Worth
SSI	Small Scale Industries

### Issue Related Terms

SSI	Small Scale Industries
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the investors shall apply for our Equity Shares
Articles / Articles of Association	The Articles of Association of our Company
Auditors	Statutory Auditors of our Company being, H. P. Shah Associates, Chartered Accountants
Designated Stock Exchange	Bombay Stock Exchange Ltd. (BSE)
Lead Manager / Lead Manager to the Issue	Being the Lead Manager appointed for the Issue. In this case being UTI Securities Ltd.
Memorandum / Memorandum of Association	The Memorandum of Association of Our Company
Registrar / Registrar to the Issue	Being the Registrar appointed for the Issue. In this case being Intime Spectrum Registry Ltd.
ROC	Registrar of Companies, Goa, Daman & Diu
Stock Exchange	BSE
The Board	The Board of Directors of our Company
The Issue	Present Public Issue of 1,00,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share aggregating Rs. 2,000 Lacs.



### Company / Industry Related Terms

Stock Exchange	BSE
BOPP	Biaxially Oriented polypropylene
DTY	Draw Texturised Yarn
FMCG	Fast Moving Consumer Goods
GSM	Gramage Square Meter
HDPE	High Density Polyethylene
HM	High Molecular
ISO	International Standard Organisation
LDPE	Low Density Polyethylene
LLDPE	Linear Low Density Polyethylene
PE	Polyethylene
PET	Polyethylene Terephthalate
PP	Polypropylene
PA	Poly Amide
EVOH	Ethyl Vinyl Alcohol
POY	Polyester Oriented Yarn
PVC	Poly Vinyl Chloride
TQPP	Tranquilized Quenched Poly Propylene

### Abbreviations

BOB	Bank of Baroda
BSE	The Bombay Stock Exchange Ltd.
CDSL	Central Depository Services (India) Ltd.
CEO	Chief Executive Officer
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participant) Regulations, 1996, as amended from time to time
DP	Depository Participant
EPCG	Export Promotion Credit Guarantee
FCNR	Foreign Currency Non-Resident
FEMA	Foreign Exchange Management Act, 1999
FII	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FY	Financial Year
MIS	Management Information System
NRE	Non Resident External
NRIs	Non Resident Indians
NSDL	National Securities Depository Ltd.

**RADHA MADHAV CORPORATION LIMITED**

P/E	Price to Earnings Ratio
QIBs	Qualified Institutional Buyers
RBI	Reserve Bank of India
SBI	State Bank of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (DIP) Guidelines, 2000 as amended from time to time.
The Companies Act	Companies Act, 1956 as amended from time to time
US\$	United States Dollars
U.T.	Union Territory



## PRESENTATION OF FINANCIAL AND MARKET DATA

### Financial Data

Unless indicated otherwise, the financial data in this Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Prospectus. Unless indicated otherwise, the operational data in this Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those 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 our financial data.

### Exchange Rates

For the time being, our Company plans to concentrate on the domestic market only. Thus, our revenues are not directly affected by fluctuations in foreign exchange rates. However, our Company imports certain Plant & Machineries and Consumables, wherein payments of foreign currency is involved and are thus affected by fluctuations in Foreign Exchange Rates.

### Market Data

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

### Currency of Presentation

In this Prospectus, all references to "INR", "Rupees" and "Rs." are to the official currency of India, all references to "U.S. Dollar" and "US\$" are to the legal currency of the United States.

### FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like “will”, “aim”, “believe”, “expect”, “will continue”, “estimate”, “intend”, “plan”, “future”, “objective”, “goal”, “project”, “should” and similar expressions or variations of such expressions, that are “forward looking statements”. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements.

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 packaging industry in India 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 and our overseas markets 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 and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see “Risk Factors” beginning on page 6 of this 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 nor the Lead Manager, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchange for the Equity Shares allotted pursuant to the Issue.



## RISK FACTORS

### (i) Risk Envisaged by Management and Management Proposals thereof

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks actually occur, our business, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors mentioned below, we are not in a position to ascertain the financial and other implications of any of the other risks mentioned below.

#### A. Risk Factors Specific to the Project and Internal to Us

##### Risk factor

1. ***Our Company has been recently incorporated and our current business operations are resultant of acquisition of three partnership firms, therefore we have limited regulatory experience in managing corporate affairs.***

Our Company has been incorporated on 7th January 2005; with one of the objectives of acquiring the entire existing running business of three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries. All the partners of these three firms were also subscribers to the Memorandum and Articles of Association of our Company. Further, except Mrs. Sulochanadevi Agrawal, all the partners of the firms are directors of our Company.

To initiate the acquisition process of three partnership firms, which were involved in manufacturing of synergetic and alternative products for packaging, but as separate entities; on 1st of February 2005, our Company entered into partnership with the said three firms as a partner for 10% in Profit & Loss along with the existing partners i.e. Mr. Mitesh Agrawal (60% share in Profit & Loss) and Mr. Kanubhai Patel (30% share in Profit & Loss) in Metro Poly Prints; Mr. Anil J. Agrawal (45% share in Profit & Loss) and Mrs. Sulochanadevi Agrawal (45% share in Profit & Loss) in Radha Madhav Industries and Mr. Anil J. Agrawal (45% share in Profit & Loss) and Mr. Abhishek Agrawal (45% share in Profit & Loss) in Mayura Industries.

At the time of our Company entering into partnership with Metro Poly Prints, the later was engaged into manufacturing of cast barrier film, used for overprinting and reverse printing, stretch films, thermoformable films, TQPP Films and lamination films; and the turnover and profit for the ten months ended as on 31st January 2005 of the firm was Rs. 606.54 Lacs & Rs. 32.61 Lacs respectively. Metro Poly Prints had almost 275 clients in various industries like infrastructure, metal, cement, publication, inks, FMCG, merchant exporters and importers in various countries.

At the time of our Company entering into partnership with Radha Madhav Industries, the later was engaged into manufacturing of paper cores and continuous stationary; and the turnover and profit for the ten months ended as on 31st January 2005 of the firm was Rs. 707.82 Lacs & Rs. 7.73 Lacs respectively. Radha Madhav Industries had almost 430 clients spread in sectors like PSUs, FMCG, Banks, institutions, textile and garments, Electricity boards, Pharmaceuticals, and various industries.

At the time of our Company entering into partnership with Mayura Industries, the later was engaged into manufacturing of multilayered blown barrier lamination and surface printed films and printed folded cartons; and the turnover and profit for the ten months ended as on 31st January 2005 of the firm was Rs. 1691.98 Lacs & Rs. 211.06 Lacs respectively. Mayura Industries had almost 100 clients spread in sectors like Pharmaceuticals, Dairy Products, etc.

On 5th March 2005, all other partners of the said partnership firms, except our Company, retired and our Company took over all the assets & liabilities and became sole owner of all the firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which were renamed as Unit I, Unit II and Unit III respectively. Though, our Company has inherited the running business of three partnership firms with the similar senior management and clientele, still our limited regulatory experience in managing corporate disclosure and compliance requirements applicable to listed companies in India, would require us to acclimatize ourselves to the new regulatory environment and build-up in-house expertise and resources for the same.



2. ***Our ability to avail of certain concessional customs duties depends on our ability to maintain certain levels of exports.***

Our Company proposes to import few Plant & Machineries under the Indian Government's EPCG Scheme under which capital goods may be imported at a concessional customs duty rate of 5%. On availing this concessional custom duty, we would require to achieve certain amount of export turnover over a specified period of time. For further details of these export obligations, please refer to the section titled "Export Obligations" on page 59 of this Prospectus.

In case we fail to achieve the level of exports required in the course of the agreed time period, we will be liable to pay the higher rates of customs duties which would have originally applied to us, together with interest which could have a material adverse effect on our results of operations.

3. ***Our business is dependent on our manufacturing facilities. Any loss of or breakdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.***

Currently, our manufacturing operations are concentrated at Daman itself. All our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We are required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. Although we take precautions to minimize the risk of any significant operational issues at our manufacturing facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

4. ***There has been a revision in implementation schedule of the project***

Our Company had envisaged completion of land development & construction of building by July 2005, which is now expected to be completed by December 2005. Further the placement of orders for plant & machinery is expected to be completed by December 2005. Due to this subsequent activities like installation and commissioning have also been delayed. For further details please refer "Project Implementation Schedule" appearing on page 36 of this Prospectus.

5. ***All our manufacturing facilities are geographically located in one area***

All our manufacturing units, existing as well as proposed, are based in Daman itself. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in Daman could have material adverse effect on the business, financial position and results of operations of our Company. Further, continuous addition of industries in and around Daman without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Daman, which may affect our business. Further spiraling cost of living in Daman may push our manpower cost in the upward direction, which may reduce our margin and cost competitiveness.



6. **We are yet to apply for certain government / statutory approvals and licenses for our new Unit IV:**

Sr. No.	Approval/Consent	Concerned Authority	Remarks
1	Factory License	Chief Inspector of Factories, Daman & Diu, Daman	Will be applied in due course of time
2	Consent to install DG Set,	Executive Engineer, Electricity Department Daman	Will be applied after the approval of power and commissioning of DG Set
3	Consent Committee, to install DG Set, Under Air (Prevention and Control of Pollution) Act, 1981	Member Secretary, Pollution Control Committee, Daman & Diu, Daman.	Will be applied after getting consent from Electricity Department Daman
4	Consent to install Boiler, Under Air (Prevention and Control of Pollution) Act, 1981	Member Secretary, Pollution Control Committee, Daman & Diu, Daman	Will be applied after installation of Boiler
5	Consent to Boiler	Government of India, Mumbai, Ministry of Commerce and Industry, Department of Explosives, Navi Mumbai	Will be applied in due course of time.
6	Permission to construct factory Building	Town Planner	Will be applied in due course of time.
7	Central Excise Registration	Deputy Commissioner of Central Excise	Will be applied in due course
8	Service Tax Registration	Deputy Commissioner of Central Excise	Will be applied after getting Central Excise Registration
9	Import Export Code Registration	Office of Jt. Director General of Foreign Trade Ministry of Commerce Government of India, Mumbai	Will be applied after getting Central Excise Registration

If we do apply, or fail to apply, within the prescribed time, if any, for any of the aforesaid licences, approvals and permissions, our ability to carry on business, including but not limited to our new Project for manufacturing at Unit IV, may be materially affected, our Company and our officials may be subject to fines and penalties under relevant legislations, and consequently our turnover and profitability may be adversely affected.

7. **Our success depends in large part upon our senior management and key personnel and our ability to attract and retain them.**

We are highly dependent on our senior management and our other key personnel. Our future performance will depend upon the continued services of these persons. Competition for senior management in our industry is intense, and we may not be able to retain our senior management personnel or attract and retain new senior management personnel in the future.

8. **Our Company has not placed the order of Plant & Machineries aggregating to Rs. 23.95 Crores (both indigenous and imported).**

Our Company has not placed the order for the Plant & Machineries to be purchased (both indigenous and imported) aggregating to Rs. 23.95 Crores, which is 64.04% of the total cost of Plant & Machineries aggregating Rs.37.40 Crores (including Customs Duty aggregating Rs. 1.00 Crore on Imported Machinery

under EPCG Scheme). Our Company has already received the quotations for the balance requirement of Plant & Machineries, and negotiations in respect of technical specifications with the vendors have been commenced. Details of the quotations received is appearing on page 54 of this Prospectus. However, pending orders will be placed only after availability of Public Issue proceeds for utilization. The expected dates of supply of the Plant & Machineries are different for different machines, but our Company expects the operations to start partially in three months from the date of placement of orders and in six months expansion plan will be completely operational. Further, the Plant & Machineries proposed to be acquired are ready to use and can be put in operation within a span of fifteen to twenty days.

9. ***The shortage or non-availability of electricity may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.***

Our manufacturing processes require a substantial amount of electricity. In order to have an efficient and reliable electricity supply and reduce production losses, we use the high voltage state electricity supply as our primary source and maintain power generators as our backup source. However, we have experienced some minor power interruptions in the past and cannot assure that in the future our results of operations or financial condition will not be adversely affected by power interruptions.

10. ***We are dependent on third-party transportation providers for the supply of raw materials and delivery of products.***

We normally use third-party transportation providers for the supply of most of our raw materials and for deliveries of our finished products to our customers. Transportation strikes by members of various Indian Truckers' Unions have had in the past, and could in the future, an adverse effect on our receipt of supplies and our ability to deliver our finished products. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs may have an adverse effect on our business and results of operations.

11. ***Appraiser of our Project, State Bank of India has mentioned certain Critical Risk Factors in its Appraisal Report.***

Appraiser of our Project, State Bank of India has mentioned the following Critical Risk Factors and their mitigation in its Appraisal Report:

<b>Risk Factor</b>	<b>Mitigation</b>
Major Expansion in relation to present size of operations	Although it is a major expansion in term of size of the project, the company will be expanding in a known territory since the new products are all in the related field.
New Products being introduced	The existing clients are already using these products and are presently purchasing the same from other vendors. With the introduction of new products RMCL will offer a unique sale proposition with a wide range of supplementary / complementary & interchangeable products. Besides the new products are in related line only.
Import of Machines under EPCG thereby giving rise to an Export Obligation	The company has made indirect exports earlier also and made a humble beginning by exporting directly in the year 2004-05. The company plans to increase exports of existing products with increased capacity. Besides the company has made selling arrangements for export of Poly Olefin Shrink Films with Amparo Overseas, UAE. Export of POF shrink film alone will take care of export obligation of the company within the next five years as against the stipulated period of 8 years.



Risk Factor	Mitigation
Dependant upon success or otherwise of public issue	The company has entered into an underwriting agreement with UTI Securities Ltd. and ENAM Financial Consultant Pvt. Ltd. for underwriting the public issue to the extent of 100%. As a matter of abundant precaution we have appraised the abridged project (Phase I) also which is considered feasible/viable even without funds from the public issue. The term loan amounts & working capital limits will be restricted to lower amounts in such a case. Stipulations regarding the capital requirements in such an eventuality have also been incorporated to safeguard the interests of the Bank.
Raw Materials used are all polymer based and therefore prone to the volatility seen in the petroleum based products	The industry trend is to pass on the change in prices to the customers. The company has also been able to do so in the past albeit with some time lag

**12. *Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.***

As of October 25, 2005, we have 237 full-time employees, who are working at our three existing units and at our Registered Office. The number of our employees is likely to increase with our proposed expansion plans. Currently, employees in our Indian operations are not represented by any labour unions. While we consider our current labour relations at all our facilities to be good, there can be no assurance that we will not experience future interruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

**13. *A Civil Suit is pending against one of our group entities.***

A civil case has been filed against one of our group entities, Reliance Industrial Products, in the Court of Civil Judge (Sr. Div.) Agra for recovery of dues amounting Rs. 1,86,663. However, there is no financial implication on our Company, as we don't have any financial stake in the said entity.

**14. *As per the terms of current debt agreements with State Bank of India and Bank of Baroda, there are some restrictive covenants on us.***

Our current debt sanctions with the State Bank of India and Bank of Baroda contains certain restrictive covenants which require us to obtain the prior consent of State Bank of India and Bank of Baroda before undertaking certain actions such as new project or expansion, diversification, modernization or make any corporate investments by way of share capital or debenture or lend or advance funds or place deposit with any other concern except give normal trade credits or place on security deposit in the normal course of business or make advances to employees or take assets on lease, raise additional debt, declaration of dividend, change or altering our capital structure, effecting any scheme of amalgamation or reconstitution, enlarging scope of other manufacturing / trading activities, withdrawal of money brought in by promoters / directors / friends and relatives, invest any fund by way of deposits or loans or in share capital, borrow or obtain credit facilities from any other bank / institution, undertake guarantee obligations on behalf of any third party or any other company, draw bills on our branches or on firms / companies in which we have interests. Further, these sanctions also impose a requirement on us to maintain certain financial ratios and to undertake certain compliance reporting requirements.

In the event of violation / deviation by us from the terms and conditions laid down by SBI & BOB, the Banks may at their discretion withdraw our Drawing Power, freeze our operations in the account, levy penal interest at up to 2% above the rates in force or cancel the sanctioned facilities without any further reference to the us.

**15. We have purchased lands forming part of Project Cost from the person related to our Promoters.**

The current project cost include cost of three lands, out of which two lands situated at Survey No. 50/9A and Survey No. 54/3A & 2D in Daman Industrial Estate, Kadaiya, Daman have been purchased from Mrs. Sulochanadevi Agrawal, who is wife of one of our Promoters, Mr. Anil J. Agrawal, for a consideration aggregating Rs. 25.00 Lacs & Rs. 15.00 Lacs respectively.

**16. Our Promoters are having Interest in various ventures, which are engaged in similar line of business activities and results into conflict of interest.**

Our Promoters, Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal, are having interest in the following ventures, which are engaged in manufacturing of similar products as that of our Company and results into conflict of interest:

Name of the Venture	Common Products	Name of the Promoter(s) & Their Interest
Radha Krishna Industries	Polypropylene Bags and Films	Mr. Mitesh Agrawal [Partner (50%)]
Swati Packaging	Polypropylene Bags and Films	Mr. Abhishek Agrawal [Partner (50%)]

Further, our Promoters are also having interest in the following ventures, which are currently not manufacturing any common product as that of our Company; but in future there may be a conflict of interest, in case, these ventures decide to manufacture the common product(s) as that of our Company or vice versa:

Name of the Venture	Name of the Promoter(s) & Their Interest
Maharashtra Polycane Industries	Mr. Anil J. Agrawal [Partner (30%)]
Reliance Industrial Products	Mr. Anil J. Agrawal [Partner (60%)]
Siddharth Plastic Industries	1. Mr. Anil J. Agrawal [Partner (10%)] 2. Mr. Mitesh Agrawal [Partner (20%)]

**17. One of our Promoters' Ventures is suffering losses.**

Two of our Promoters, Mr. Anil J. Agrawal & Mr. Mitesh Agrawal are partners in Care Plus Industries, a partnership firm, for 25% & 50% share in Profit & Loss respectively. Care Plus Industries has suffered losses of Rs. 0.08 Lacs, Rs. 0.03 Lacs and Rs. 0.009 Lacs in the financial year 2002-03, 2003-04 and 2004-05 respectively.

**18. Our Company has issued Equity Shares at lower prices than the Issue Price.**

During the last twelve months, our Company has issued the following Equity Shares at lower prices than the proposed Issue Price:

Sr. No.	Name of the Shareholder	Date of Issue	Face Value	Issue Price	No. of Shares
1	Mr. Anil J. Agrawal	21.01.05	10	10	10,000
2	Mr. Mitesh Agrawal	21.01.05	10	10	10,000
		11.03.05	10	15	951,361
3	Mr. Abhishek Agrawal	21.01.05	10	10	10,000
		11.03.05	10	15	982,601
4	Mr. Kanubhai Patel	21.01.05	10	10	5,000
		11.03.05	10	15	153,692
5	Mrs. Sulochanadevi Agrawal	21.01.05	10	10	5,000
		11.03.05	10	15	166,666



Sr. No.	Name of the Shareholder	Date of Issue	Face Value	Issue Price	No. of Shares
6	Mrs. Vandana Agrawal	21.01.05	10	10	5,000
7	Mr. Rajjappa Patty	21.01.05	10	10	5,000
	<b>Total</b>				<b>2,304,320</b>

19. **We have not provided for the contingent liabilities.**

Our Company has not provided for the following contingent liabilities: (Rs. in Lacs)

	As on 31st, March 2005	As on 30th September 2005
a) Bills/Cheques discounted	15.08	4.47
b) Guarantees given by Banks	22.58	25.81

**B. Risks External to our Company**

1. **Completion of Income tax exemption period in future will increase our income tax liabilities and reduce profit margins.**

Our Company currently benefits from income tax exemptions under section 80IB of the Income Tax Act, 1961 for our existing units, the details of which are mentioned hereunder:

Unit	% of Profit Exempted	Remaining Assessment Years
Unit-I	25	From 2005-06 to 2009-10
Unit-II	25	From 2005-06 to 2009-10
Unit-III	25	From 2006-07 to 2010-11

After completion of the above exemption periods, our income tax liabilities will substantially increase and would result into reduction in profit margins. Further, the project which is being set up at Unit – IV will not be eligible for Income tax exemption under section 80IB.

2. **Our operations may be adversely affected in case the manufacturing process of the products being manufactured by our Company is patented by any other manufacturer.**

We are employing various processes to manufacture, print and to give various forms and shapes to films, laminates and various packaging materials. In case of any advancement or new developments in such manufacturing processes patented by any other manufacturer and patent regime is opened in the country, our business may be significantly affected.

3. **Our operations may be adversely affected due to scarcity of raw materials.**

Our business operations are dependent upon the timely and adequate supply of raw materials at reasonable prices. This makes our business operations susceptible to disruption or other changes in the raw material supply. Though we have several suppliers for all major raw materials with collective capacities much more than our requirements, we cannot assure you that all our raw material requirements will continue to be satisfied by these suppliers. Our inability to obtain high-quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

4. **We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition**

Our Company intends to import some plant & machineries. The company will also be importing certain raw materials. Since the cost of these plants & machineries and raw materials are denominated in foreign currency, any adverse fluctuations in the exchange rate of foreign currency for Indian Rupee could adversely affect our financial condition and operations. We have not hedged our risks against foreign exchange fluctuations in this regard.



5. ***We face substantial competition in the Printing & packaging business, both from Indian and international companies, which may adversely affect our revenues.***

We face significant competition from existing players and potential entrants in the Indian packaging industry. The Indian packaging industry is highly competitive both in the primary packaging segment and in the secondary packaging segment. We have various competitors in the printing and packaging industry. Under secondary packaging segment, in manufacturing of Polyolefin shrink Film products, where we are new entrant; we will face competition from few established players internationally. Further, we will face competition mainly from large vertically integrated and diversified companies as well as new companies. Some of our international competitors are larger than us and have greater financial resources.

Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business, results of operations and financial condition. We cannot be certain that we will continue to compete successfully against either current or potential competitors in the future.

6. ***Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins.***

Wage costs in India have historically been significantly lower than the wage costs in the developed countries for comparably skilled professionals in the industry, which has been one of our competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. The buoyancy in the Indian packaging industry with the opening up of global trade may lead to an increase in wage costs which could result in increased cost for packaging professionals. This can impact our performance and margins and may result in a material adverse effect on our business.

7. ***Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could prevent or block our ability to do business, increase our costs and negatively affect our stock price. These geopolitical social and economic conditions could result in increased volatility in India and worldwide financial markets and economy, and such volatility could prevent or block our ability to do business, increase our costs and negatively affect our stock price.

8. ***Regional conflicts in Asia and other export markets could adversely affect the Indian economy, which in turn may disrupt our operations and cause business to suffer.***

The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. In recent years there have been military confrontations along the India-Pakistan border. Also, since early 2003, there have been military hostilities and civil unrest in Afghanistan and Iraq. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares and on our business.

9. ***The price of our Equity Shares may be highly volatile.***

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

- Volatility in Indian and global securities market;
- Our results of operations and performance;
- Performance of our competitors and perception in the Indian market about investment in the packaging sector;
- Adverse media reports, if any, on our Company or the Indian packaging industry;



- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant development in India's economic liberalization and de-regulation policies; and
- Significant development in India's fiscal and environmental regulations.

10. ***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 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 Equity 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 income and revenues;
- Changes in revenue 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.

**(ii) Notes:**

- 1) Our Pre-Issue Net worth as on 31st March 2005 and 30th September 2005 is Rs. 859.08 Lacs and Rs. 1,469.51 Lacs respectively.
- 2) Size of the Present Issue - 1,00,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share aggregating Rs. 2,000 Lacs.
- 3) The average cost of acquisition of Equity Shares of our Promoters namely Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal is Rs.19.92, Rs.17.72 and Rs.17.65 respectively.
- 4) Book Value of our Equity Share as on 31st March 2005 and 30th September 2005 is Rs. 15.12 and Rs. 20.73 respectively.
- 5) Our Promoters, their relatives & associates and our directors have undertaken the following transactions in the Equity Shares of our Company during the last six months:



**RADHA MADHAV CORPORATION LIMITED**

<b>Sr. No.</b>	<b>Category</b>	<b>Name of Person</b>	<b>Nature of Transaction</b>	<b>Date of Transaction</b>	<b>Face Value</b>	<b>Issue Price</b>	<b>No. of Shares</b>
1	Promoter & Director	Mr. Anil J. Agrawal	Allotment	11.03.05/ 02.06.05	10	20	1,300,364*
2	Promoter & Director	Mr. Mitesh Agrawal	Allotment	11.03.05	10	15	951,361
			Allotment	11.03.05/ 02.06.05	10	20	1,056,161*
			Allotment	04.07.05	10	20	110,513
3	Promoter & Director	Mr. Abhishek Agrawal	Allotment	11.03.05	10	15	982,601
			Allotment	11.03.05/ 02.06.05	10	20	1,022,485*
			Allotment	04.07.05	10	20	118,500
4	Director	Mr. Kanubhai Patel	Allotment	11.03.05	10	15	153,692
5	Director	Mr. Binodkumar Paliwal	Allotment	04.07.05	10	20	2,500
6	Director	Mr. Ramesh Bhandari	Allotment	04.07.05	10	20	10,000
7	Relative of Promoters	Mrs. Sulochanadevi Agrawal	Allotment	11.03.05	10	15	166,666
		<b>TOTAL</b>					<b>5,874,843</b>

\* These Equity Shares were issued at Rs. 15/- each, but subsequently the Promoters brought in additional Rs. 5/- per Equity Share (i.e. difference between the Public Issue price & Allotment price of these shares) on June 02, 2005, to ensure that these shares becomes eligible for Promoters' Contribution and lock-in for 3 years, as per the requirements of SEBI (DIP) Guidelines.

- 6) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 39 of this Prospectus before making an investment in this Issue.
- 7) Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in accordance with the SEBI Guidelines and in consultation with Bombay Stock Exchange Ltd. (BSE) {Designated Stock Exchange}.
- 8) Investors may contact the Lead Manager or the Compliance Officer for any complaint/ clarification/ information pertaining to the Issue.
- 9) For Related Party Transactions, please refer "Related Party Disclosure" as mentioned under Sr. No. 6 of "Notes on Accounts" of the Auditors' Report on page 79 of this Prospectus.



## SUMMARY

### Industry Overview

Today we reside in a visual world where images influence our buying decisions and within a fraction of second it captures consumer attention. Attractive, economical and practical packaging is designed to generate maximum marketing response. Packaging has grown in importance and is regarded as a vital marketing tool. Better packaging results in protection and safe transportation of products, reduces loss, and prevents damage and wastage of products.

Packaging is a multi-technology business that touches almost everything made. Right from chocolate, food, clothing, shelter, automotive, appliance, electronics – packaging is everywhere. Since packaging involves product and technology that encompass all materials and specialties of engineering, viz., paper, plastics, chemicals, steel, mechanical, electrical and electronics and robotics, the packaging industry and hence entrepreneurship evolved around either single 'product or single technology. The consolidation and synergistic combination of technologies and products is still in its primitive stage. Except for a few players having more than one technology or product-market focus, there are very few companies with holistic packaging approach.

Large manufacturers of FMCG, appliances, automobiles, pharmaceuticals, etc., are focusing on their core activity, driven by the mantra of core competence. Thereby non core activities such as I.T. or even manufacturing are being outsourced. In this environment more and more companies are likely to outsource packaging to specialist service providers.

Established global players in various industries are setting up operations in India, China, etc., to derive the benefit of lower costs as well as access to large potential markets. This makes India and China very attractive destinations for the packaging industry

### Indian Scenario

The packaging industry in a developed country generally caters to a society which is well aware of the importance of packaging. Whereas, in a developing country like India; the packaging industry has to cater both the aware and unaware classes of society. The unaware class of society forms the majority of population and needs only the product in packed condition. The qualities of packaging or innovative ideas are important for the aware class of society but not the unaware class of society.

The current wave of economic development in India is being seen from all over the world. The consumer goods buying behavior in Urban India is changing very rapidly. It will further accelerate with the commitment of the government in globalization. The fast growing scenario of electronic media, communications and traveling facilities would also help to infect the shopping behavior of Rural India in near future.

The expansion of the Indian primary and secondary packaging market has been accelerated broadly due to growing middle class, conversion of traditional form of packaging into modern forms, favorable excise structure, liberalization of Indian economy, globalization, Increasing hygiene consciousness, usage of small flex pack pouches, increasing textile exports packed in plastic bags, entry of multinationals fueling the demand for sophisticated plastic-based flexible packaging products.

A great degree of potential exists for most of the user segments in India and are expanding appreciably. With a promising growth rate, an expanding consumer base, and more than 1 billion inhabitants, India has one of the most rapidly expanding packaging industries in the world.

### Growth Potential

The packaging industry in India started way back in the 1950's, has grown slowly and steadily in both quality and quantity. The 70's and 80's witnessed a remarkable change in materials as well as machinery depending on the tastes of the markets. This has not only improved the prospects of the industry but also opened it up to innovations. In this period, the industry by and large, depended on domestic resources for materials as well as machinery. This was due to various restrictions on imports. However the liberalization since 1990's has changed the entire industry scenario. Packaging in India now has a promising turnover with an astonishing growth rate. The changing pattern of the Indian consumer behavior directly affects the packaging industry as the direct expenditure incurred by companies to make the products attractively packaged is increasing day by day.

In terms of keeping pace with the change in consumer behavior and increased brand consciousness, India is lagging behind the developed countries. Even now, in India large amount of products are sold in loose form and not with adequate packaging. Fresh vegetables and fruits packed and sold in India is much lower than compared to that in developed countries. In this backdrop the Packaging in India is poised to grow as more and more produce will be packed and sold in India. Similarly Food and agricultural markets shall dominate the sales of converted flexible packaging in India

## Major Segments

The consumer market dominates the global packaging industry and accounts for an estimated 70 per cent of sales, with industrial applications taking the remaining 30 per cent of the share. The food industry is the largest end-user market, followed by the beverage industry. A high degree of potential exists for almost all user segments in India and are expanding appreciably.

### For Primary Packaging:

Processed foods, Mouth fresheners, Beverages, Confectionary, Bakery products, Spices, Edible oils, Soaps and detergents, Drugs and pharmaceuticals, Cosmetics and personal care, Chemicals and fertilizers, Office stationery, Engineering products, Tattoos. FMCG products like Snack foods, water, beverages, edible oil, confectionary/ milk and milk products, fruits and jam, Personal care like cosmetics, toiletries, shampoos, Detergent, Pharma packaging and industrial packaging like Lube oils, lubricants, Paints, coatings, Post harvest packaging, Disposables- cups and containers, Sheets and stationery products.

### For Secondary Packaging:

Compact disk, Toys, Games, Sporting goods, Records, Audio/ video tapes, Magazines, Drinking cups and glasses, single serving bowls, cosmetic bottles, paper reams, notebooks, video and photo cameras, frozen food, refrigerated pizza, boxed items, single selling units.

Food and agricultural markets also dominate the sales of converted flexible packaging in India and will continue to expand on account of several factors - rising consumption of packaged foodstuff; the increasing presence of multinational food and beverage firms in India; the trend towards additional processing of food grains and fresh produce; ongoing efforts to improve sanitation and food safety.

Key markets include rice, other grains, food crops, various processed foods, and chewing tobacco. Personal care products such as cosmetics and toiletries are also important with fast growing Indian markets. Growth is seen in the pharmaceutical sector also due to expanding penetration of a large drug-producing industry.

### Factors Affecting Growth of Packaging Industry in India:

- *Urbanization*
- *Growing entrance of Women into Business*
- *Increasing Health Consciousness*
- *Low Purchasing Power resulting in Purchase of Small Packets*
- *Indian Economy Experiencing Good Growth Prospects*
- *Changing Food Habits amongst Indians*
- *Personal health consciousness amongst Indians:*
- *Rural Marketing Pushing Demand for Sachets*

## OUR BUSINESS

Our existing business is resultant of acquisition of running business of three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which became Unit I, Unit II and Unit III respectively of our Company. For more details please refer section titled "Our History and Certain Corporate Matters" appearing on page 63 of this Prospectus.

Our Company is a medium sized manufacturing company with ISO 9001:2000 certification from TUV Rheinland. Our Company is engaged in diversified packaging & printing activities and catering to varied clientele including Public Sector units, government organizations, institutions, large scale industries, Co operative unions, Federations, Boards and various small scale industries encompassing industries like infrastructure, metal, cement, publication, inks, FMCG, merchant export, textile and garments, Pharmaceuticals, Food and Spices, hygiene, Soaps and detergents, Cosmetics and personal care, coatings, Post harvest packaging, edible oil, confectionary, milk and milk products and various other industries. Our top ten clients are mainly from milk and milk products, coatings, FMCG and textile industry, which contribute approximately 40% of our Total Sales.

We are a techno-driven Company with modern facilities for production. Our Company has thrived on technological edge and know-how of materials and processes. Our manufacturing activities can be divided into two areas; Primary Packaging and Secondary Packaging. Primary packaging material is in direct contact of the product and sold as integral part of single saleable unit like soap wrapper, confectionary packet, tea and shampoo sachet, whereas secondary packaging is used to pack such single units in large number like cartons, stretch wraps, straps, tapes etc.

Primary packaging business of our Company constitutes of "Flexible Packaging", "Specialty Films" and "Folded Cartons". Flexible packaging can be categorized into laminates, labels, wrappers, sleeves etc.

- Specialty films can be thermo formable, surface printed or laminations films.
- Folded cartons are paperboard cartons to pack single selling units like toothpastes, ointments, etc.



Secondary packaging business of our Company constitutes products like bags, liners, stretch films, shrink films, overwrap films, specialty thermoformable films, paper tubes, cartons, etc.

- Bags and liners can be made of different material and are used for general packing
- Stretch films are used for pallet wrapping, food packaging, etc.
- Shrink films are used to shrink glass bottles during transportation, paper reels, etc.
- Overwrap films are used to wrap bakery products, textiles, etc.
- Specialty thermoformable films are used for soft blister packaging of medical appliances
- Paper tubes and cores are used for winding yarns, textiles, films, etc.
- Cartons are used for general packing and various profiles for varied applications like as support packing with steel straps

With in house manufacturing of barrier cast and blown films, lamination, gravure coating, extrusion coating, and printing facility; our Company presently manufactures surface printed barrier films, metallized films, laminates, wrappers, overwrap films and lamination films of varied types. We also manufacture quality multi colored printed mono cartons.

Our Company manufactures range of secondary packaging with a product portfolio of stretch cast films, BOPP tapes, Masking film, Soft Blister Films, and commodity liners of various materials like PE, PVC and PP.

Our present business is being done through three units.

### **Expansion Project**

Our Company is going for horizontal integration by way of adding new products to our existing products with a goal to capture a substantial market share and achieve a price leadership position. To achieve the goal, our Company has planned for capital expenditure of Rs. 50.06 Crores for setting up of manufacturing facility for new product and to add on the capacities for existing products.

### **Location**

All our three existing manufacturing units are situated in Daman Industrial Estate, Kadaiya, Daman itself. Further, as part of expansion project, our new manufacturing unit, Unit IV, is being set-up at Survey No. 107/2, 108/1 & 108/2, Daman Industrial Estate, Kadaiya, Daman. The new Unit IV is located within one kilometer from our other existing units.

Daman is located at approximately 160 kilometers from city of Mumbai and is well connected by road, railways services available between Mumbai and Ahmedabad and international ports. The nearest railway station, Vapi, is just about 15 kilometers away from Daman, National Highway No. 8 is about 12 kilometers away and two major international ports JNPT and Nava Sheva are about 100 kilometers away from Daman. Further, Power and Water supply is easily available in Daman and is also economically viable.

### **Products / Services of our Company**

Presently, our Company is manufacturing the following products:

- 3-Layer cast or blown Lamination Film – For Laminates
- Shrink Film – For General Packing
- 3 Layer cast Stretch Film
- Multi colored printed Laminates
- Extrusion Coated Paper
- 3 Ply Laminates
- Paper Tubes and cores
- Continuous Computer Stationery – With 4 Colour Printing
- TQPP liners and bags
- Multi colored offset printed folded cartons.

Further, by proposed expansion, our Company is inclined to manufacture the following products to add value addition in our existing product line:

- Poly olefin shrink film
- Flexo printed five and three layered barrier films
- Self adhesive tapes
- Soap Wrappers Tea Composites Liners etc.
- Solvent less / base lamination
- Printed Pouches
- PVC Film shrink Sleeves

**ISSUE DETAILS**

<b>Equity Shares Offered: Fresh Issue by the Company</b>	1,00,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share
<b>Of which:</b>	
Minimum Allotment to QIBs	10,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share
Reserved for allotment on competitive basis to Permanent Employees of our Company including Whole-time Directors	10,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share
Reserved for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis	25,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share
<b>Net Issue to the Public</b>	55,00,000 Equity Shares of Rs. 10/- each for Cash at a Premium of Rs.10/- per Equity Share
<b>Equity Shares Outstanding Prior to the Issue</b>	70,90,000 Equity shares of Rs. 10/- each
<b>Equity Shares Outstanding after the Issue</b>	17,09,00,000 Equity shares of Rs. 10/- each

**Objects of the Issue**

The Objects of the Issue are to raise capital aggregating Rs. 20.00 Crores for part financing the funds requirement aggregating to Rs. 50.06 Crores for the expansion project of manufacturing facilities for existing products and setting up of manufacturing facilities for new products. The fund requirements includes Rs. 4.01 Crores for Land & Building, Rs. 37.40 Crores for Plant & Machinery (both indigenous and imported), Rs. 0.40 Crores for Other Assets incl. Furniture & Fixtures, Rs. 2.20 Crores for Contingencies, Rs. 2.00 Crores for Preliminary & Pre-operative Expenses and Rs. 4.05 Crores for Margin Money for Working Capital. Out of the total project cost of Rs. 50.06 Crores, there will be creation of tangible assets aggregating to Rs. 41.81 Crores, which would be 83.52% of the total Project Cost.

Our existing products include 3-Layer cast or blown Lamination Film – For Laminates, Shrink Film – For General Packing, 3 Layer cast Stretch Film, Multi colored printed Laminates, Extrusion Coated Paper, 3 Ply Laminates, Paper Tubes and cores, Continuous Computer Stationery – With 4 Colour Printing, TQPP liners and bags, Multi colored offset printed folded cartons and other packing products.

Further, the proposed products includes Poly olefin shrink film, C I Flexo printed five and three layered barrier films, Self adhesive tapes, Soap Wrappers, Tea Composites Liners, etc., Solvent less / base lamination, Printed Pouches, PVC Film shrink Sleeves and other high end packing products.

All our existing / proposed products are used in packaging of primary and secondary nature. This expansion is being carried out at our existing three units i.e. Unit I, II & III, as well as a new Unit IV is being set-up, which will cater to the demand of our existing as well as new products both in primary as well as in secondary packaging segment.

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

The main objects clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the present Issue. Further, we confirm that the activities we have been carrying out until now is in accordance with the objects clause of our Memorandum of Association.

**Appraisal**

As per the requirements of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, as amended from time to time, the Project has been appraised by SBI on behalf of the consortium (with Bank of Baroda) for sanction of new term loan and working capital requirements of our Company.

State Bank of India (SBI), our Lead Banker has sanctioned credit facilities to us, vide their letter no. MCG/RM/VAPI/10 dated June 6, 2005. Further, as requested by the Lead Manager, a copy of the Appraisal Note has been forwarded by SBI to the Lead Manager vide their letter no. MCG/RM/VAPI/16 dated June 10, 2005. Further, addendums dated 9th July 2005 and 20th August 2005 were also given by SBI.



The Cost of Project and Means of Finance as appraised by SBI are reproduced hereunder:

#### Cost of Project

Sr. No.	Particulars	Amount (Rs. in Crores)
1	Land & Building	4.01
2	Plant & Machinery (Indigenous) #	15.91
3	Plant & Machinery (Imported including customs duty under EPCG)	21.49
4	Other Assets incl. Furniture & Fixtures	0.40
5	Contingencies	2.20
6	Preliminary & Pre-operative Expenses	2.00
7	Margin Money for Working Capital *	4.05
	<b>Total</b>	<b>50.06</b>

\* Working Capital Margin requirements up to the financial year 2005-06 has been considered above since the working capital limits are proposed to be restricted to Rs. 11.00 Crores up to 31.03.06. The additional working capital margin requirement in the year 2006-07 would be met out of the surplus cash accruals of the year 2005-06 & cash accruals of 2006-07.

# Excise Duty on domestic machinery has not been included in the cost of project since the company proposes to claim Cenvat Credit and would not be capitalizing the same. The total excise duty works out to Rs. 2.45 Crores and the company is eligible to claim Cenvat Credit to the extent of 50% in any one year. The total excise duty payable by the company during 2005-06 is Rs. 8.33 Crores and the company may be able to absorb the eligible amount within two or three months of operations. The remaining amount is shown as current assets at the year end since it would take less than two months for the company to adjust the residual Cenvat Credit in the year 2006-07.

#### Means of Finance

Sr. No.	Particulars	Amount (Rs. in Crores)
1	Public Issue	20.00
2	Increase in Capital & Premium (during 2005-06)	3.55
3	Surplus of cash accruals & other long term sources in the year 2004 – 05, which has come as share capital in the Company	1.01
4	Cash Accruals of the year 2005 – 06	1.50
5	Term Loan from State Bank of India	14.80
6	Term Loan from Bank of Baroda	9.20
	<b>Total</b>	<b>50.06</b>

The total Project Cost of Rs. 50.06 Crores is proposed to be met by increase in equity (including premium), internal accruals and term loan from State Bank of India & Bank of Baroda. The Company has sought finance from the banks, SBI and BOB only for machinery and the rest will be managed from their own sources. The equity (including premium) will increase by Rs. 23.55 Crores out of which Rs. 20.00 Crores will be raised through public issue and the rest will be way of Increase in Capital & Premium. The Company has sought term loan of Rs. 24.00 Crores from the consortium and the rest Rs. 2.51 Crores will be from Cash Accruals & other Long Term Sources in the year 2004 – 05, which has come as Share Capital in the Company (Rs. 1.01 Crores) and Cash Accruals of the year 2005 – 06 (Rs. 1.50 Crores).

**SUMMARY FINANCIAL AND OPERATING INFORMATION**

**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lacs)

Particulars	As on 31st March 2005	As on 30th September 2005
<b>A) Fixed Assets:</b>		
Gross Block	578.92	791.90
Less: Depreciation	1.96	23.77
<b>Net Block</b>	<b>576.96</b>	<b>768.13</b>
Capital Work-in-progress	114.99	111.83
<b>Net Block Total (A)</b>	<b>691.95</b>	<b>879.96</b>
<b>B) Investments Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>C) Current Assets, Loans &amp; Advances</b>		
Inventories	277.19	539.83
Sundry Debtors	725.74	923.52
Cash & Bank Balances	3.24	18.64
Loans and Advances	346.48	425.43
<b>Total (C)</b>	<b>1352.65</b>	<b>1907.42</b>
<b>D) Liabilities &amp; Provisions</b>		
Secured loans*	803.07	800.66
Unsecured loans	1.68	0.00
Current Liabilities & Provisions	285.56	517.21
Share Application Money	95.21	-
<b>Total (D)</b>	<b>1185.52</b>	<b>1317.87</b>
<b>NET WORTH (A+B+C-D)</b>	<b>859.08</b>	<b>1469.51</b>
<b>NET WORTH REPRESENTED BY:</b>		
Share Capital	568.33	709.00
Reserve & Surplus	289.74	739.16
<b>TOTAL</b>	<b>858.07</b>	<b>1448.16</b>
Less: Misc. Expenditure (to the extent not written off)	0.00	0.00
Deferred Tax Liability	1.01	21.35
<b>NET WORTH</b>	<b>859.08</b>	<b>1469.51</b>

\* Repayable within One year Rs.62 Lacs and Rs. 69.79 Lacs for the 26 days period ended on 31-3-05 and for the half year ended on 30-9-05 respectively.





## SUMMARY OF PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

Particulars	26 Days Period from 6th March till 31st, March 2005	For the Half Year Ended on 30th September 2005
<b>Income</b>		
Sales of products manufactured by the company	258.04	2061.49
Less: Excise Duty	29.06	241.09
Net Sales	226.97	1820.40
Other income	* 2.72	7.84
<b>Total Income</b>	<b>231.70</b>	<b>1828.24</b>
<b>Expenditure</b>		
Raw Material Consumed & Inventory Adjustment	156.94	1348.15
Staff Costs	7.42	58.52
Other Manufacturing Expenses	14.55	86.61
Administrative and General Expenses	19.38	70.89
Interest & Financial Charges	6.12	45.15
Depreciation	1.96	21.81
<b>Total Expenditure</b>	<b>206.37</b>	<b>1631.13</b>
<b>Net Profit Before Tax &amp; Non-Recurring Expenditure</b>	<b>25.33</b>	<b>197.11</b>
Non-recurring Expenditure-Preliminary expenses for formation of the Company	@ 15.62	0.00
<b>Net Profit Before Tax but after Non-Recurring Expenditure</b>	<b>9.71</b>	<b>197.11</b>
Provision for Income Tax		
Current	0.56	36.15
Deferred	1.01	20.34
Fringe Benefit Tax	0.00	0.77
Provision for Wealth Tax	0.07	0.05
<b>Profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Extra ordinary items		
Income Tax adjustment related to earlier years		
<b>Net profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Balance of Profit brought forward		8.07
Dividend	-	
Corporate Tax on Dividend	-	
Transfer to General Reserves	-	
Balance Carried to Balance sheet	8.07	147.87

\* Other income of Rs. 2.72 Lacs includes Rs. 2.58 Lacs being 10 % share of profit from three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries for the period 01st February 2005 to 5th March 2005.

@ In view of the Accounting Standard 26 issued by the Institute of Chartered Accountants of India, which has been made mandatory with effect from 01 Apr 04, company has written off preliminary expenses amounting to Rs.15.62 lacs for formation of the Company like stamp duty on Articles of Association and Memorandum of Association, Filing fees with Registrar of Companies and other costs related to formation and registration of the company, to the Profit & Loss Account which is non-recurring expenses.



## GENERAL INFORMATION

## RADHA MADHAV CORPORATION LIMITED

**Registered Office:** Survey No. 50/9 A, Daman Industrial Estate, Kadaiya, Daman – 396 210 (U.T.)

Tel: 0260 - 2220176, 2220621, 2221177; Fax: 0260 - 2220177;

Contact Person: Mr. Sanjay Agarwal

Website: www.rmclindia.co.in; E-mail: rmclipo@rmclindia.co.in

**Company Registration No.:** 56 – 3775; **Registrar of Companies:** Goa, Daman & Diu, Company Law Bhawan, EDC Complex, Plot No. 21, Patto Plaza, Panaji, Goa.

## Our Board of Directors

Name of the Director	Designation	Status
Mr. Anil J. Agrawal	Chairman	Non-Executive
Mr. Mitesh Agrawal	Managing Director	Executive
Mr. Abhishek Agrawal	Whole-time Director	Executive
Mr. Kanubhai Patel	Director	Non-Executive
Mr. Binodkumar Paliwal	Director	Non-Executive & Independent
Mr. Ramesh Bhandari	Director	Non-Executive & Independent

## Brief Profile of our Chairman, Managing Director and Executive Director

**Mr. Anil J. Agrawal, Chairman (Non-Executive)**

Mr. Anil J. Agrawal, aged 57 years, one of our main Promoters, originally hails from Bhilwara, Rajasthan. His family was in the trading business of textiles. He shifted his business base to the field of Plastic based products. He came to Daman and started a plastic based industry titled as Reliance Industrial Products in the year 1994 for manufacturing plastic based packing materials meant for industrial purpose. He has about 11 years of experience in business mainly in plastic industry. He has been associated with our Company since inception and has been actively managing the affairs of our Company. Later on, Mr. Anil J. Agrawal extended the product line by starting up a series of various manufacturing units catering to the demand of various packaging material made up of plastic and paper. These products were totally based on paper and plastics and constituted materials of both primary and secondary packaging nature. His elder son, Mitesh Agrawal also joined the family business in 1999 and together they started manufacturing different technology driven products. Mr. Anil J. Agrawal has been able to succeed in midst of recession and other adversities. He has been associated with our Company since inception and has been actively managing the affairs of our Company.

Mr. Anil J. Agrawal has given the current standing to our Company. He was also elected as President of Daman Industries Association for three consecutive terms.

**Mr. Mitesh Agrawal, Managing Director & CEO**

Mr. Mitesh Agrawal, aged 27 years, is elder son of Mr. Anil J. Agrawal, our Chairman (Non-Executive); and is actively involved in the business for last five years. By qualification, he is a Polymer Engineer from Maharashtra Institute of Technology (MIT), Pune. He did his MBA Foundation Course from The Institute of Chartered Financial Analysts of India and further completed his Advance Diploma in Sales and Marketing from Apex Institute, Pune, which is affiliated to Tack Training International, U.K. He further did Master of Science (M.Sc.) in International Management from Oxford Brookes University, U.K. He has also studied the British Economy at Rewley House, University of Oxford, U.K.

Presently, Mr. Mitesh Agrawal is also Chairman of Indian Plastic Institute for Daman-Vapi-Silvassa Sub-chapter.

**Mr. Abhishek Agrawal, Whole-time Director**

Mr. Abhishek Agrawal, aged 22 years, is the younger son of Mr. Anil J. Agrawal, our Chairman (Non-Executive). He is Bachelor of Computing (Computer Science, Software Development and Multimedia Technology) from Daekin University, Australia. He also joined the family business after completing his graduation in 2004. Currently, he looks after the day-to-day activities of our Company and predominantly takes care of administration, production and exports.

The brief profile of other members of Board of Directors is mentioned under the heading “Brief Profile of our Board of Directors” appearing on page 70 of this Prospectus.



#### **COMPANY SECRETARY**

**Mrs. Archana Andhare,**  
**Company Secretary,**  
**Radha Madhav Corporation Limited,**  
Survey No. 50/9 A, Daman Industrial Estate,  
Kadaiya, Daman – 396 210 (U.T.)  
Tel.: 0260 - 2220176, 2220621, 2221177  
Fax: 0260 - 2220177  
E-mail: rmclipo@ rmclindia.co.in

#### **LEGAL ADVISOR TO THE ISSUE**

**Dave & Girish & Co.,**  
Advocates,  
1st Floor, Sethna Building,  
55, Maharishi Karve Marg, Marine Lines  
Mumbai – 400 002.  
Tel: 022 - 22062132, 22062192 Fax: 022 - 22085620  
Contact Person: Ms. Mona Bhide  
E-mail: davegirish@vsnl.com

#### **BANKERS TO THE COMPANY**

**State Bank of India,**  
Industrial Township Branch,  
V.I.A. Char Rasta, G.I.D.C,  
Vapi – 396 195, Gujarat.  
Tel.: 0260 – 2410215 Fax: 0260 - 2431373  
E-mail: sbi1658@satyam.net.in  
Contact Person: Mr. N.K. Mishra

#### **Bank of Baroda**

SSI Branch,  
Maharani Udyog, Somnath Road,  
Dabhel, Daman – 396 210 (U.T)  
Tel.: 0260 – 2243447 Fax: 0260 - 2242669  
Contact Person: Mr. R.P. Nanavaty, Sr. Branch Manager

#### **Bank of Baroda,**

Mangaldas Market Branch,  
Kitchen Garden Lane, 1st Floor, 375/382,  
Mumbai – 400 002.  
Tel: 022 - 22071588 Fax: 022 - 22065403  
E-mail: manbom@bankofbaroda.com  
Contact Person: MR. Vijay C Shah

#### **COMPLIANCE OFFICER**

Mr. Sanjay Agarwal, Manager – Accounts & Banking, has been designated as the Compliance Officer for this issue. In case of any pre issue, post issue related problems such as non-receipt of letters of allotments/ share certificates/ demats credits/ refund orders etc., the investors are requested to contact the Compliance Officer at:

**Mr. Sanjay Agarwal,**  
**Manager – Accounts & Banking,**  
**Radha Madhav Corporation Limited,**  
Survey No. 50/9 A, Daman Industrial Estate,  
Kadaiya, Daman – 396 210 (U.T.)  
Tel.: 0260 - 2220176, 2220621, 2221177  
Fax: 0260 - 2220177  
E-mail: rmclipo@ rmclindia.co.in

**ISSUE MANAGEMENT TEAM**

**Lead Manager to the Issue**

**UTI Securities Ltd.**

**SEBI Regn. No.: INM000007458**

Dheeraj Arma, 1st Floor,  
Anant Kanekar Marg,  
Station Road, Bandra (E),  
Mumbai - 400 051.

Tel: 022 – 55515806 / 55515821

Fax: 022 – 55023194

Contact Person: Mr. Hitesh Mandot

Website: [www.utisel.com](http://www.utisel.com)

E-mail: [rmclipo@utisel.com](mailto:rmclipo@utisel.com)

**REGISTRAR TO THE ISSUE**

**Intime Spectrum Registry Ltd.**

**SEBI Regn. No.: INR000003761**

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

Tel: 022 - 55555491 – 94

Fax: 022 - 55555499

Contact Person: Mr. Vishwas Attavar

Website: [www.intimespectrum.com](http://www.intimespectrum.com)

E-mail: [rmclipo@intimespectrum.com](mailto:rmclipo@intimespectrum.com)

**BANKERS TO THE ISSUE**

**HDFC Bank Ltd.**

2nd Floor, Trade World,  
New Building, Kamala Mills,  
Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013.

Tel: 022 - 28569009

Fax: 022 - 28569256

Contact Person: Mr. Clayton Mendonca

Website: [www.hdfcbank.com](http://www.hdfcbank.com)

Email: [clayton.mendonca@hdfcbank.com](mailto:clayton.mendonca@hdfcbank.com)

**ICICI Bank Ltd.**

Capital Market Division,  
30, Mumbai Samachar Marg,  
Fort, Mumbai – 400 001.

Tel: 022 - 22655285

Fax: 022 - 22611138

Contact Person: Mr. Sidhartha Sankar Routray

Website: [www.icicibank.com](http://www.icicibank.com)

E-mail: [sidhartha.routray@icicibank.com](mailto:sidhartha.routray@icicibank.com)

**Standard Chartered Bank**

2nd Floor, 270, D.N. Road,  
Fort, Mumbai – 400 001.

Tel: 022 – 22198662 / 22198646

Fax: 022 – 22019246 / 22019208

Contact Person: Mr. Abhishek Sampat

Website: [www.standardchartered.co.in](http://www.standardchartered.co.in)

E-mail: [Abhishek.Sampat@in.standardchartered.com](mailto:Abhishek.Sampat@in.standardchartered.com)



**State Bank of India**

New Issues & Securities Services Division,  
Mumbai Main Branch,  
Mumbai Samachar Marg, P.B. No. 13,  
Fort, Mumbai – 400 023.  
Tel: 022 - 22651579 Fax: 022 - 22670745  
Contact Person: Mrs. Anuradha Kurma  
Website: [www.sbi.co.in](http://www.sbi.co.in)  
E-mail: [anuradha.kurma@sbi.co.in](mailto:anuradha.kurma@sbi.co.in)

**BROKERS TO THE ISSUE**

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

**AUDITORS TO THE COMPANY**

**H.P. Shah Associates**

Chartered Accountants,  
11, Rajhans, G.I.D.C, Char Rasta, Vapi – 396 191.  
Tel: 0260 - 2425540 Fax: 0260 - 2425540  
E-mail: [hpsahcavapi@yahoo.com](mailto:hpsahcavapi@yahoo.com)

**CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

**TRUSTEE**

This being an Issue of Equity Shares, appointment of Trustee is not required.

**APPRAISAL**

The project has been appraised by State Bank of India. The required details of the Appraising Entity are as under:

**State Bank of India,**  
**Central Processing Cell,**  
**Mid Corporate Group,**  
**Ahmedabad Region,**  
 C/o. Vapi Industrial Township Branch,  
 G.I.D.C., Vapi, District Valsad – 396 195.  
 Tel No: 0260 - 2410215 Fax No: 0260 - 2431373

**UNDERWRITING**

The issue has been underwritten to the extent of Rs. 1,800 Lacs by the following underwriters as under:

Sr. No.	Name and Address of the Underwriter	Date of Agreement	Amount Underwritten (Rs. Lacs)
1	<b>UTI Securities Limited</b> 1st Floor, Dheeraj Arma, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai – 400 051. Tel: 022 – 55515801 / 55515806 Fax: 022 – 55023194 Website: www.utisel.com Email: rmclipo@utisel.com	22.11.05	900.00
2	<b>Enam Financial Consultants Pvt. Ltd.</b> Khatau Building, 2nd Floor, 44, Bank Street, Mumbai - 400 023. Tel: 022 - 22677901 Fax: 022 - 22665613 Website: www.enam.com Email: ajays@enam.com	22.11.05	900.00
	<b>Total</b>		<b>1,800.00</b>

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The above Underwriting Agreement has been accepted by our Board of Directors at their meeting held on 26th November 2005 and we have issued letters of acceptance to the Underwriters.

In the event of any default, the respective underwriter in addition to other obligations to be defined in the Underwriting Agreement will be required to procure / subscribe to the extent of the defaulted amount.



## CAPITAL STRUCTURE

No. of Shares	Nominal Value (Rs.)	Aggregate Value (Rs.)
<b>A. AUTHORISED CAPITAL</b>		
20,000,000 Equity Shares of Rs. 10/- each	200,000,000	
<b>B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
7,090,000 Equity shares of Rs. 10/- each	70,900,000	130,028,400
<b>C. PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>		
10,000,000 Equity Shares of Rs. 10/- each at a Premium of Rs. 10/- per Equity Share	100,000,000	200,000,000
<b>OUT OF WHICH</b>		
1,000,000 Equity Shares of Rs. 10/- each at a Premium of Rs. 10/- per Equity Share to be allotted to QIBs on competitive basis	10,000,000	20,000,000
1,000,000 Equity Shares of Rs. 10/- each at a Premium of Rs. 10/- per Equity Share are reserved for allotment to Permanent Employees (including Whole-time Directors) of the Company on a competitive basis	10,000,000	20,000,000
2,500,000 Equity Shares of Rs. 10/- each at a Premium of Rs. 10/- per Equity Share are reserved for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis	25,000,000	50,000,000
<b>D. NET ISSUE TO THE PUBLIC IN TERMS OF THIS PROSPECTUS</b>		
5,500,000 Equity Shares of Rs. 10/- each at a Premium of Rs. 10/- per Equity Share	55,000,000	110,000,000
<b>E. PAID UP CAPITAL AFTER THE PRESENT ISSUE</b>		
17,090,000 Equity shares of Rs. 10/- each	170,900,000	330,028,400
<b>F. SHARE PREMIUM ACCOUNT</b>		
Before the Issue		59,128,400
After the Issue		159,128,400

### Notes to Capital Structure:

1. Details of Increase in Authorized Capital:

Sr. No.	Particulars of Increase	Date of Meeting	Nature of Meeting
1.	Rs. 1250 Lacs	Since Incorporation	-
2.	From Rs.1250 Lacs to Rs. 2000 Lacs	05.03.05	EGM

2. Capital Build-up: Our existing Equity Share capital has been subscribed and allotted as under:

Date of Allotment/ Fully Paid-up	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Remarks	Consideration	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
21.01.05	50,000	10	10	Subscription to the Memorandum	Cash	500,000	Nil
11.03.05	2,254,320	10	15	Further Allotment	Cash	23,043,200	11,271,600
11.03.05 / 02.06.05	3,379,010*	10	20	Further Allotment	Cash	56,833,300	45,061,700
04.07.05	1,406,670	10	20	Further Allotment	Cash	70,900,000	59,128,400
<b>TOTAL</b>	<b>7,090,000</b>						

\* These Equity Shares were issued at Rs. 15/- each, but subsequently the Promoters brought in additional Rs. 5/- per Equity Share (i.e. difference between the Public Issue price & Allotment price of these shares) on June 02, 2005, to ensure that these shares becomes eligible for Promoters' Contribution and lock-in for 3 years, as per the requirements of SEBI (DIP) Guidelines.

**RADHA MADHAV CORPORATION LIMITED**

3. Promoters' Contribution and Lock-in Period: The following shares shall be locked-in for a period of three years as part of the Promoters contribution:

Sr. No.	Name of Promoters / Person in Promoters Group	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period (Years) #
1	Mr. Anil J. Agrawal	11.03.05 /02.06.05	Cash	1,110,341*	10	20	6.50	3
		<b>Sub-total (1)</b>			<b>1,110,341</b>			<b>6.50</b>
2	Mr. Mitesh Agrawal	11.03.05 /02.06.05	Cash	1,056,161*	10	20	6.18	3
		04.07.05	Cash	110,513	10	20	0.65	3
		<b>Sub-total (2)</b>			<b>1,166,674</b>			<b>6.83</b>
3	Mr. Abhishek Agrawal	11.03.05 /02.06.05	Cash	1,022,485*	10	20	5.98	3
		04.07.05	Cash	118,500	10	20	0.69	3
		<b>Sub-total (3)</b>			<b>1,140,985</b>			<b>6.68</b>
<b>Grand Total (1)+(2)+(3)</b>				<b>3,418,000</b>			<b>20.00</b>	

# The lock in period shall commence from the date of allotment of Equity Shares in the present Public Issue.

\* These Equity Shares were issued at Rs. 15/- each, but subsequently the Promoters brought in additional Rs. 5/- per Equity Share (i.e. difference between the Public Issue price & Allotment price of these shares) on June 02, 2005, to ensure that these shares becomes eligible for Promoters' Contribution and lock-in for 3 years, as per the requirements of SEBI (DIP) Guidelines.

- Specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares to ensure minimum Promoters contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Capital.
- Promoters' contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The entire pre-issue Equity Share Capital other than the minimum promoters' contribution shall be locked-in for a period of 1 year from date of allotment in the present Public Issue.
- The Lead Manger shall inform the non-transferability details to both the depositories NSDL and CDSL. The details of lock-in shall be provided to BSE, the designated stock exchange where the shares of our Company are proposed to be listed.
- Promoters Contribution and Lock-in Period in respect of Promoters, whose name figure in the Prospectus as Promoters in the paragraph on "Promoters": We have three Promoters i.e. Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal, whose name figures in this Prospectus as Promoters in the paragraph on "Our Promoters". The holding and lock-in period details of the Promoters are mentioned hereunder:

Sr. No.	Name of Promoters	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period (Years) #
1	Mr. Anil J. Agrawal	21.01.05	Cash	10,000	10	10	0.06	1
		11.03.05 /02.06.05	Cash	190,023*	10	20	1.11	1
		11.03.05 /02.06.05	Cash	1,110,341*	10	20	6.50	3
		<b>Sub-total (1)</b>			<b>1,310,364</b>			<b>7.67</b>
2	Mr. Mitesh Agrawal	21.01.05	Cash	10,000	10	10	0.06	1
		11.03.05	Cash	951,361	10	15	5.57	1
		11.03.05 /02.06.05	Cash	1,056,161*	10	20	6.18	3
		04.07.05	Cash	110,513	10	20	0.65	3
		<b>Sub-total (2)</b>			<b>2,128,035</b>			<b>12.45</b>
3	Mr. Abhishek Agrawal	21.01.05	Cash	10,000	10	10	0.06	1
		11.03.05	Cash	982,601	10	15	5.75	1
		11.03.05 /02.06.05	Cash	1,022,485*	10	20	5.98	3
		04.07.05	Cash	118,500	10	20	0.69	3
		<b>Sub-total (3)</b>			<b>2,133,586</b>			<b>12.48</b>
<b>Grand Total (1)+(2)+(3)</b>				<b>5,571,985</b>			<b>32.60</b>	

# The lock in period shall commence from the date of allotment of Equity Shares in the present Public Issue.

\* These Equity Shares were issued at Rs. 15/- each, but subsequently the Promoters brought in additional Rs. 5/- per Equity Share (i.e. difference between the Public Issue price & Allotment price of these shares) on June 02, 2005, to ensure that these shares becomes eligible for Promoters' Contribution and lock-in for 3 years, as per the requirements of SEBI (DIP) Guidelines.



9. Individual shareholding of persons who constitute Promoters group (other than core promoters)

Sr. No.	Name of Promoters	Date of Allotment / Transfer and Made Fully Paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)	% of Post Issue Paid-up Capital	Lock in Period (Years) #
1	Mrs. Sulochanadevi Agrawal	21.01.2005	Cash	5,000	10	10	0.03	1
		11.03.2005	Cash	1,66,666	10	15	0.97	1
	<b>Sub-Total (1)</b>			<b>1,71,666</b>			<b>1.00</b>	
2	Mrs. Vanadana Agrawal	21.01.2005	Cash	5,000	10	10	0.03	1
	<b>Sub-Total (2)</b>			<b>5,000</b>			<b>0.03</b>	
	<b>Grand Total (1) + (2)</b>			<b>1,76,666</b>			<b>1.03</b>	

# The lock in period shall commence from the date of allotment of Equity Shares in the present Public Issue.

10. The Promoters contribution has not been brought-in less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.
11. As on date of filing of this Prospectus with SEBI, our issued capital is fully paid up.
12. No payment, direct or indirect in the nature of discount, commission allowance or otherwise shall be made either by us or our Promoters to the persons who receive firm allotment in this Public Issue.
13. The Pre-Issue & Post-Issue Shareholding Pattern of Promoters Group is as under:

Particulars	Pre-Issue		Post-Issue	
	No. of Shares @ Rs. 10/- each	% Holding	No. of Shares @ Rs. 10/- each	% Holding
a. Promoters	5,571,985	78.59%	5,571,985	32.60%
b. Immediate Relatives of the Promoters	176,666	2.49%	176,666	1.03%
c. Companies in which 10% or more of the share capital is held by the Promoters / an immediate relative of the Promoters / a firm or HUF in which the Promoters or any one or more of his immediate relatives is a member	–	–	–	–
d. Companies in which Company mentioned in c. above holds 10% or more of the share capital	–	–	–	–
e. HUF or firm in which the aggregate share of the Promoters and his immediate relatives is equal to or more than 10% of the total	–	–	–	–
f. All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as “Shareholding of the Promoters Group”.	–	–	–	–
<b>Total</b>	<b>5,748,651</b>	<b>81.08%</b>	<b>5,748,651</b>	<b>33.64%</b>

14. The pre-Issue & proposed post-Issue shareholding pattern of Our Company is as under:

Category	Pre-Issue		Post-Issue	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters & Promoters Group	5,748,651	81.08	5,748,651	33.64
QIBs	–	–	1,000,000	5.85
Other Public Category	1,341,349	18.92	10,341,349	60.51
<b>Total</b>	<b>7,090,000</b>	<b>100.00</b>	<b>17,090,000</b>	<b>100.00</b>



**RADHA MADHAV CORPORATION LIMITED**

15. The details regarding transactions in our Equity Shares during the past six months undertaken / financed directly or indirectly by our promoters, their relatives and associates and our directors are as under:

Sr. No.	Category	Name of Person	Nature of Transaction	Date of Transaction	Face Value	Issue Price	No. of Shares
1	Promoter & Director	Mr. Anil J. Agrawal	Allotment	11.03.05/02.06.05	10	20	1,300,364*
2	Promoter & Director	Mr. Mitesh Agrawal	Allotment	11.03.05	10	15	951,361
			Allotment	11.03.05/02.06.05	10	20	1,056,161*
			Allotment	04.07.05	10	20	110,513
3	Promoter & Director	Mr. Abhishek Agrawal	Allotment	11.03.05	10	15	982,601
			Allotment	11.03.05/02.06.05	10	20	1,022,485*
			Allotment	04.07.05	10	20	118,500
4	Director	Mr. Kanubhai Patel	Allotment	11.03.05	10	15	153,692
5	Director	Mr. Binodkumar Paliwal	Allotment	04.07.05	10	20	2,500
6	Director	Mr. Ramesh Bhandari	Allotment	04.07.05	10	20	10,000
7	Relative of Promoters	Mrs. Sulochanadevi Agrawal	Allotment	11.03.05	10	15	166,666
		<b>TOTAL</b>					<b>5,874,843</b>

\* These Equity Shares were issued at Rs. 15/- each, but subsequently the Promoters brought in additional Rs. 5/- per Equity Share (i.e. difference between the Public Issue price & Allotment price of these shares) on June 02, 2005, to ensure that these shares becomes eligible for Promoters' Contribution and lock-in for 3 years, as per the requirements of SEBI (DIP) Guidelines.

16. The Equity Shares to be held by the Promoters group under lock-in period shall not be sold / hypothecated / transferred during the lock-in period. However, the Equity Shares held by Promoters group, which are locked in, may be transferred to and among Promoters/Promoters group or to a new Promoters or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable. The Promoters group may pledge their Equity Shares with banks or financial institutions as additional security for loans whenever availed by them from banks or financial institutions.
17. Our Company, our Promoters, our Directors and Lead Manager to the Issue has not entered in to any buy-back / standby or similar arrangements for purchase of Equity Shares being issued through this Prospectus.
18. Our top ten shareholders as on two years prior to the date of filing of the Prospectus with ROC: NIL {As our Company has been incorporated on 7th January 2005 itself}
19. Our top ten shareholders as on 10 days prior to the date of filing of the Prospectus with ROC:

Sr. No.	Name of Shareholders	No. of Equity Shares of face value Rs. 10/- each
1	Mr. Abhishek Agrawal	2,133,586
2	Mr. Mitesh Agrawal	2,128,035
3	Mr. Anil J. Agrawal	1,310,364
4	Mrs. Sulochanadevi Agrawal	171,666
5	Mr. Kanubhai Patel	158,692
6	Kapil Metal Pvt. Ltd.	110,000
7	Mrs. Binita Modi	97,107
8	Dhavel N. Joshi (HUF)	85,000
9	Prafulla Tradelink Pvt. Ltd.	75,000
10	Ms. Meena I. Jai Singhia	55,550
	<b>TOTAL</b>	<b>6,325,000</b>



20. Our top ten shareholders as on the date of filing of the Prospectus with ROC:

Sr. No.	Name of Shareholders	No. of Equity Shares of face value Rs. 10/- each
1	Mr. Abhishek Agrawal	2,133,586
2	Mr. Mitesh Agrawal	2,128,035
3	Mr. Anil J. Agrawal	1,310,364
4	Mrs. Sulochanadevi Agrawal	171,666
5	Mr. Kanubhai Patel	158,692
6	Kapil Metal Pvt. Ltd.	110,000
7	Mrs. Binita Modi	97,107
8	Dhavel N. Joshi (HUF)	85,000
9	Prafulla Tradelink Pvt. Ltd.	75,000
10	Ms. Meena I. Jai Singhia	55,550
	<b>TOTAL</b>	<b>6,325,000</b>

21. This Issue is being made in terms of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, as amended from time to time, wherein at least 10% of the Issue size i.e. 10,00,000 Equity Shares shall be allotted to QIBs, failing which the full subscription monies shall be refunded.
22. Further, spill over from QIBs' category, shall, at the sole discretion of our Company in consultation with the Lead Manager, be allowed to meet under-subscription, if any, in categories for Non-Institutional Investors and Retail Individual Investors. Also, unsubscribed portion in either of Non-Institutional Investors or Retail Individual Investors category shall be added to the other category interchangeably.
23. Our Company has reserved 1,000,000 Equity Shares for allotment on competitive basis to Permanent Employees (including Whole-time Directors) of our Company on a competitive basis and 2,500,000 Equity Shares for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis. Application by Employees and Executive Directors of our Company can also be made in the "Net Issue to the Public" and such applications shall not be treated as multiple applications. Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the Net Issue to the Public.
24. In case of under-subscription in the Net Issue to the Public portion, spillover to the extent of under-subscription shall be permitted from the reserved categories to Net Issue to the Public portion.
25. As per SEBI guidelines, a minimum of 50% of the Net Issue to the Public are reserved for allotment to individual investors applying Equity Shares of or for a value of not more than Rs. 1,00,000/-. The balance Net Issue to the Public are reserved for Non-Institutional Investors applying for Equity Shares of a value more than Rs.1,00,000/-.
26. An over-subscription to the extent of 10% of the Net Issue to the Public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to 300 Equity Shares, which is the minimum application size in this issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to the Public, 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 Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.
27. Our Company has not availed any bridge loans against the proceeds of this Issue.
28. Our Company undertakes that we shall not make any further Issue of capital whether by way of Issue of bonus shares, preferential allotment, rights Issue or Public Issue or in any other manner, during the period commencing from the submission of Prospectus to SEBI for Public Issue till the Equity Shares referred in the Prospectus have been listed or application moneys refunded on account of failure of Issue.
29. Presently, our Company do not have any intention or proposal to alter capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including Issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, or if we go in for acquisitions and joint ventures, we might consider raising additional capital to fund such activity or use shares as currency for acquisition and/or participation in such joint venture.

30. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options will be granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
31. There are no outstanding warrants, options or rights to convert debentures or other instruments into Equity Shares as on date.
32. There shall be only one denomination for the Equity Shares of our Company, subject to applicable regulations and we shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
33. The Equity Shares offered through this Public Issue shall be made fully paid up on allotment.
34. No single applicant can make an application for number of Equity Shares, which exceeds the number of Equity Shares offered.
35. Our Company has 53 members as on the date of filing of Prospectus with ROC.



## OBJECTS OF THE ISSUE

The Objects of the Issue are to raise capital aggregating Rs. 20.00 Crores for part financing the funds requirement aggregating to Rs. 50.06 Crores for the expansion project of manufacturing facilities for existing products and setting up of manufacturing facilities for new products. The fund requirements includes Rs. 4.01 Crores for Land & Building, Rs. 37.40 Crores for Plant & Machinery (both indigenous and imported), Rs. 0.40 Crores for Other Assets incl. Furniture & Fixtures, Rs. 2.20 Crores for Contingencies, Rs. 2.00 Crores for Preliminary & Pre-operative Expenses and Rs. 4.05 Crores for Margin Money for Working Capital. Out of the total project cost of Rs. 50.06 Crores, there will be creation of tangible assets aggregating to Rs. 41.81 Crores, which would be 83.52% of the total project cost.

Our existing products include 3-Layer cast or blown Lamination Film – For Laminates, Shrink Film – For General Packing, 3 Layer cast Stretch Film, Multi colored printed Laminates, Extrusion Coated Paper, 3 Ply Laminates, Paper Tubes and cores, Continuous Computer Stationery – With 4 Colour Printing, TQPP liners and bags, Multi colored offset printed folded cartons and other packing products.

Further, the proposed products includes Poly olefin shrink film, C I Flexo printed five and three layered barrier films, Self adhesive tapes, Soap Wrappers, Tea Composites Liners, etc., Solvent less / base lamination, Printed Pouches, PVC Film shrink Sleeves and other high end packing products.

All our existing / proposed products are used in packaging of primary and secondary nature. This expansion is being carried out at our existing three units i.e. Unit I, II & III, as well as a new Unit IV is being set-up, which will cater to the demand of our existing as well as new products both in primary as well as in secondary packaging segment.

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

The main objects clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the present Issue. Further, we confirm that the activities we have been carrying out until now is in accordance with the objects clause of our Memorandum of Association.

### Appraisal

As per the requirements of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, as amended from time to time, the Project has been appraised by SBI on behalf of the consortium (with Bank of Baroda) for sanction of new term loan and working capital requirements of our Company.

State Bank of India (SBI), our Lead Banker has sanctioned credit facilities to us, vide their letter no. MCG/RM/VAPI/10 dated June 6, 2005. Further, as requested by the Lead Manager, a copy of the Appraisal Note has been forwarded by SBI to the Lead Manager vide their letter no. MCG/RM/VAPI/16 dated June 10, 2005. Further, addendums dated 9th July 2005 and 20th August 2005 were also given by SBI.

The Cost of Project and Means of Finance as appraised by SBI are reproduced hereunder:

### Cost of Project

Sr. No.	Particulars	Amount (Rs. in Crores)
1	Land & Building	4.01
2	Plant & Machinery (Indigenous) #	15.91
3	Plant & Machinery (Imported including customs duty under EPCG)	21.49
4	Other Assets incl. Furniture & Fixtures	0.40
5	Contingencies	2.20
6	Preliminary & Pre-operative Expenses	2.00
7	Margin Money for Working Capital *	4.05
	<b>Total</b>	<b>50.06</b>

\* Working Capital Margin requirements up to the financial year 2005-06 has been considered above since the working capital limits are proposed to be restricted to Rs. 11.00 Crores up to 31.03.06. The additional working capital margin requirement in the year 2006-07 would be met out of the surplus cash accruals of the year 2005-06 & cash accruals of 2006-07.

# Excise Duty on domestic machinery has not been included in the cost of project since the company proposes to claim Cenvat Credit and would not be capitalizing the same. The total excise duty works out to Rs. 2.45 Crores and the company is eligible to claim Cenvat Credit to the extent of 50% in any one year. The total excise duty payable by the company during 2005-06 is Rs. 8.33 Crores and the company may be able to absorb the eligible amount within two or three months of operations. The remaining amount is shown as current assets at the year end since it would take less than two months for the company to adjust the residual Cenvat Credit in the year 2006-07.

**Land & Building:** In this project, our Company has envisaged Land & Building to the tune of Rs. 4.01 Crores, which also includes Land & Factory buildings situated at Survey No. 50/9A admeasuring 1118 square meters along with old industrial building constructed thereon, admeasuring about 11138.60 square feet in area; and Survey No. 54/3A & 54/2D admeasuring 1635 square meters along with old industrial building constructed thereon, admeasuring about 6359 square feet in area at Daman Industrial Estate, Kadaiya, Daman; acquired from Mrs. Sulochanadevi Agrawal for a consideration of Rs. 0.25 Crores & Rs. 0.15 Crores respectively. The erstwhile partnership firms Radha Madhav Industries and Mayura Industries (Now Unit II & Unit III respectively) were carrying out their manufacturing activities on the said premises which were taken on lease from Mrs. Sulochanadevi Agrawal. The total cost including stamp duty & registration charges incurred on these two Land & Buildings were Rs. 0.43 Crores.

Our Company has also incurred Rs. 1.00 Crore towards additional construction carried out at Unit I, II, and III and in the premises of our Company for common use for all our existing units.

Our Company has also acquired Land bearing Survey No. 107/2 and 108/1 & 108/2, Daman Industrial Estate, Kadaiya, Daman admeasuring 16,597 square meters with a built-up area of 25,799 square feet from M/s. Daman Plastics for a consideration of Rs. 1.05 Crores, where our new Unit IV is being set-up. The total cost including stamp duty & registration charges incurred for this new Land & Building was Rs. 1.12 Crores. Since, our new Unit IV is proposed to be equipped with state-of-the-art Plant & Machineries; the existing structure of the Unit IV would require major structural changes. Further, we also propose to construct additional building admeasuring 10,000 square feet, which is required as per our existing expansion plans. The structural changes and additional construction work will be carried out after appointment of appropriate contractors for the same. The total cost of additional construction as estimated by M/s. Akruti Designers, Consultant as Rs. 1.46 Crores.

The lands & buildings acquired by our Company are registered in the name of our Company.

**Plant & Machineries:** Our Company proposes to acquire the Plant & Machineries aggregating to Rs. 37.40 Crores (including Customs Duty aggregating Rs. 1.00 Crore on Imported Machinery under EPCG Scheme), out of which Plant & Machineries aggregating to Rs. 15.91 Crores is indigenous and the balance Plant & Machineries aggregating to Rs. 21.49 Crores is imported. For further details about Plant & Machineries, please refer section titled "Plant & Machineries" beginning from page 53 of this Prospectus.

Out of the total cost of Plant & Machineries aggregating to Rs. 37.40 Crores, Rs. 24.00 Crores are proposed to be funded by way of term loan from the consortium of Bankers viz., State Bank of India and Bank of Baroda. State Bank of India has sanctioned term loan aggregating to Rs. 14.80 Crores vide its sanction letter dated 6th June 2005, and the balance Rs. 9.20 Crores have been sanctioned by Bank of Baroda vide sanction letter dated 29th July 2005.

**Other Assets including Furniture & Fixtures:** Our Company has also acquired other assets including furniture & fixtures, computers, etc. to the tune of Rs. 0.40 Crores.

**Contingencies:** Our Company has planned for a contingency amount of Rs.2.20 Crores, which is a little more than 5% of the capital cost of project. Our Company envisages that with the prices of Plant & Machineries almost in the final stage of negotiation, there should not be any escalation in overall cost of project.

**Preliminary & Pre-operative Expenses:** The preliminary & preoperative expenses are estimated at Rs. 2.00 Crores, which include public issue expenses of around Rs. 1.50 Crores including lead manager fee, advisory fee, brokerage, underwriting fee, advertisement, printing, traveling & other miscellaneous expenses. The rest is on account of registration charges, professional fee paid to various consultants etc. In relation to the size of public issue & project size the preliminary & preoperative expenses are considered reasonable.

#### Means of Finance

Sr. No.	Particulars	Amount (Rs. in Crores)
1	Public Issue	20.00
2	Increase in Capital & Premium (during 2005-06)	3.55
3	Surplus of Cash Accruals & other Long Term Sources in the year 2004 – 05, which has come as Share Capital in the Company	1.01
4	Cash Accruals of the year 2005 – 06	1.50
5	Term Loan from State Bank of India	14.80
6	Term Loan from Bank of Baroda	9.20
	<b>Total</b>	<b>50.06</b>

The total project cost of Rs. 50.06 Crores is proposed to be met by increase in equity (including premium), internal accruals and term loan from State Bank of India & Bank of Baroda. The Company has sought finance from the banks, SBI and BOB only for machinery and the rest will be managed from their own sources. The equity (including premium) will increase by Rs. 23.55



Crores out of which Rs. 20.00 Crores will be raised through public issue and the rest will be way of Increase in Capital & Premium. The Company has sought term loan of Rs. 24.00 Crores from the consortium and the rest Rs. 2.51 Crores will be from Cash Accruals & other Long Term Sources in the year 2004 – 05, which has come as Share Capital in the Company (Rs. 1.01 Crores) and Cash Accruals of the year 2005 – 06 (Rs. 1.50 Crores).

We hereby confirm that excluding the amount to be raised through proposed Public Issue, firm arrangements of finance through verifiable means towards 95% of the stated means of finance have been made.

#### Project Implementation Schedule

Activity	Starting Date	Initial Closing Date	Revised Closing Date	Remarks
Land Development & Construction of Building	June 2005	July 2005	December 2005	Land & ready shed finalized. Construction is under Process.
Placing of orders for Plant & Machineries	June 2005	August 2005	December 2005	Few Machines have already been ordered and balance Machines will be ordered in due course and will be commissioned taking into account the sequence of activity, plant layout, delivery time of supplier, time taken for installation etc.
Installation of Plant & Machineries	August 2005	December 2005	February 2006	
Commissioning & Trial Run	October 2005	January 2006	March 2005	
Commercial Production	In the months of February 2006 & March 2006		In the month of April 2006	

#### Funds Deployed

Our Company has already deployed Rs. 6.06 Crores upto 30th September, 2005 towards the proposed project as envisaged in the present Issue. The same has been certified by H. P. Shah Associates, Chartered Accountants; vide their certificate dated 25th October 2005. The details of funds already deployed are as under:

(Rs. in Crores)

Particulars	Total Amount
Land & Building	2.55
Other Assets including Furniture & Fixtures	0.40
Preliminary & Pre-operative Expenses #	0.47
Margin Money for Working Capital	2.64
<b>TOTAL</b>	<b>6.06</b>

# Including advance payment made to service providers

#### Sources for Financing of Funds already Deployed

The funds already deployed have been sourced as under:

Rs. in Crores

Particulars	Total Amount
Out of Increased Share Capital & Premium	4.46
Out of Cash Accruals for the year 2004 – 05 and half year ended on 30.09.2005	1.60
<b>TOTAL</b>	<b>6.06</b>

**Details of Balance Funds Requirement**

The break up of funds already deployed and year-wise balance funds requirement is mentioned hereunder:

**Rs. in Crores**

Particulars	Already Deployed (till September 30, 2005)	Balance Deployment during 2005-06	Total
Land & Building	2.55	1.46	4.01
Plant & Machinery (Indigenous)	0.00	15.91	15.91
Plant & Machinery (Imported including customs duty under EPCG)	0.00	21.49	21.49
Other Assets incl. Furniture & Fixtures	0.40	0.00	0.40
Contingencies	0.00	2.20	2.20
Preliminary & Pre-operative Expenses	0.47	1.53	2.00
Margin Money for Working Capital	2.64	1.41	4.05
<b>Total</b>	<b>6.06</b>	<b>44.00</b>	<b>50.06</b>

**Interim Use of Funds**

Pending utilization in the project as per the manner as referred to above, the proceeds of the Issue will be deposited in a bank account as stated under the undertaking given for utilization of Issue proceeds.





## BASIC TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Prospectus, Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by us after the date of Allotment.

### Face Value and Price Band

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Prospectus at a total price of Rs. 20/- per Equity Share, which is 2 times of the Face Value. At any given point of time there shall be only one denomination for the Equity Shares.

### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- i. Right to receive dividend, if declared.
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law.
- iii. Right to vote on a poll either personally or by proxy.
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation.
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a listed public ltd. company under the Companies Act and Articles of Association of our Company.

For further details on the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to section titled "Main Provisions of Articles of Association of the Company" on page 140 of this Prospectus.

### Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of Underwriters within 60 days from the date of closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

### Terms of Payment

The entire Issue price of Rs. 20/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, our Company shall refund the excess amount paid on application to the applicants.



## BASIS FOR ISSUE PRICE

### Qualitative Factors

#### **Strong Customer Base**

We have a separate full-fledged Marketing Department to procure orders and contracts. The Marketing Department is headed by two Vice Presidents, one for Primary and one for Secondary Packaging and are assisted by subordinate staff. Both the Vice Presidents report to Managing Director.

The marketing strategy of our Company is a mix of various tools depending on various products and the objective for the particular product / mix. Our marketing strategy is a combination of direct marketing, using the existing distributor network, sales force and Internet. However personal selling and technical counseling still remains the best tool for our type of industry.

With the acquisition of three existing firms, we have inherited their marketing network which has given us a wide customer base. We have a Client base of over 400 customers both in India and abroad in various entities like Public Sector units, government organizations, institutions, large scale industries, Co operative unions, Federations, Boards and various small scale industries encompassing industries like infrastructure, metal, cement, publication, inks, FMCG, merchant export, textile and garments, Pharmaceuticals, Food and Spices, hygiene, , Soaps and detergents, Cosmetics and personal care, coatings, Post harvest packaging, edible oil, confectionary, milk and milk products and various other industries.

#### **Multi-product Relationship with Large Number of Clients**

Our multi-product portfolio allows us to create value for the brand by repeating it in various different packaging products. It also allows ascertaining the overall impact of packaging on the product. Various synergetic products and various manufacturing facilities make us an ideal work-shop for the product promotion and development people. Sourcing various products from one source helps to curb counterfeits and create an appeal in the selves.

Our Company shall be in a position to give our valued customers benefits of better solutions to their packaging needs under one roof. It would be a win-win situation for both company and the customers as the customers will enjoy one roof shopping and company will be able to sell variety of products to one customer.

Our multi-product portfolio allows our Company to sustain the cost of high level of services, which we aim to give to our clients. Sales revenue from any of our product supports us to maintain our technical/ commercial/ agent/ distributor in any particular area or for a particular client. Cost of marketing additional products is also negligible once any of our products is being sold to a specific customer.

#### **Diversified Customers Enabling De-risking of the Business Model**

Our Company caters to various corporate customers of small and big size. Customers are based in different geographical locations and are from various industries. We cater to industries like Textile, FMCG, Pharmaceuticals, Food and Beverages, Cement, Metal, etc. and are also exporting our products. Our strategy to cater our products and services to a wider arena of customers insulates us from dependency on any particular industry. It de risks our business to a large extent, as recession in any one industry is offset by boom in any other industry. Similarly geographical unrest in one market can be offset by the other market.

#### **Strong Technical Base**

One of our major strengths and key to success is our knowledge in developing cheaper and functional raw material mix. Our Company has a qualified team of technocrats and in-house research and development capabilities. Our Company has people like Mr. G.N. Shah, who has also worked with Indian Aluminium Co. Ltd. as President; Mr. D.D. Kale, Professor of Polymer Technology, University of Mumbai, who is an advisor to our Company, and our Managing Director, who himself is Bachelor of Engineering in Polymer.

In plastic packaging industry, it is very important to develop new raw material mix to provide the customers same quality material at lower cost or a better quality at the same cost compared to the competitors. Our Company has developed in house recipes of raw material mix for various applications like stretch films, which has made our Company one of the low cost manufacturers of stretch films.

#### **Product Composition, Structure and Design Capacities**

Our Company is having in-house pr- press system, which allows us to make changes in the existing designs supplied by the customers, our ability to add value to the designs or design thoughts that the customers bring to us help us develop stronger relationships with these customers and further strengthen our competitive position vis-à-vis our competitors. Shape, design, composition and structure are critical element of packaging material manufacturing. Our ability to identify and stay abreast of evolving trends that meets with our buyers' requirements allows us to enhance our market share with existing buyers and develop new customers.



### Quality and ISO Certification

All three existing manufacturing units of our Company are having certification of ISO 9001:2000, from TUV Rheinland. Since, our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market.

### Tax benefits

The existing units of our Company viz. Unit-I, Unit-II & Unit-III are in Daman (Union Territory) entitled for deduction in Income tax u/s. 80 IB of the Income tax Act, 1961 and exemption in Sales Tax.

### Deep Geographical and Market Penetration

By virtue of acquisition of existing running business of three partnership firms, our Company has inherited deep market penetration with a large clientele and wide geographical coverage. Our Company has also got presence in global market with existing clients in Russia, U.A.E., Africa and Bangladesh.

### Quantitative Factors:

Note: Our Company has been incorporated on 7th January 2005, and Certificate for Commencement of Business has been issued on 24th January 2005. On 1st February 2005, we entered into partnership with three erstwhile partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries. On 5th March 2005, all other partners of the said partnership firms, except our Company, retired and our Company took over all the assets & liabilities and became sole owner of all the firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which were renamed as Unit I, Unit II and Unit III respectively.

In view of the above, our Company came into full-fledged independent operations w.e.f. 6th March 2005 and our results of operations portray performance for a limited period only. Accordingly, the basis for issue price is based upon the financial performance of our Company for the limited period available for operations. Further, the brief financials of three erstwhile firms are mentioned herein below. For detailed financials of these erstwhile partnership firms, please refer section titled "Our History and Certain Corporate Matters" beginning on page 63 of this Prospectus.

1.	<b>Adjusted Earning Per Share (EPS)</b> 2004-05	<b>Amount (Rs.)</b> 0.44
2.	<b>Price to Earnings Ratio (P/E Ratio) in relation to Issue Price of Rs. 20/-</b> (a) Based on 2004-05 EPS of Rs. 0.44 (b) Industry P/E* (i) Highest (ii) Lowest (iii) Average (* Based on October 24 – November 06, 2005)	45.45 31.2 4.4 15.8
3.	<b>Return on Networth</b> 2004-05	% 2.95
4.	Minimum Return on Increased Net Worth required to maintain pre-issue EPS i.e. Rs. 0.44	<b>For Issue at Rs. 20/-</b>
	Total Net Worth after the Issue (Rs. in Lacs)	3309.36
	No. of Equity Shares after the Issue (in Lacs)	170.90
	Profits required to get required EPS (Rs. in Lacs)	75.20
	Min. Required RONW for maintaining above EPS	2.27%
5.	<b>Net Asset Value (NAV) Per Share</b>	<b>Amount (Rs.)</b>
	(a) As at 31.03.2005	15.12
	(b) As at 30.09.2005	20.73
	(c) After the Issue	20.30
	(d) Issue Price	20.00

**Comparison with Financial Ratios of Peer Group\***

<b>Name of the Peer Group Company</b>	<b>Period Ended</b>	<b>Book Value (Rs.)</b>	<b>RONW (%)</b>	<b>EPS (Rs.)</b>	<b>P/E Ratio</b>
Cosmo Films	March 2005	66.0	9.5	5.4	15.8
Flex Industries	March 2005	74.0	8.8	6.3	12.6
Garware Polyester	March 2005	56.5	18.0	9.2	7.2
Jindal Polyfilms	March 2005	149.9	19.9	27.0	10.1
Paper Products	December 2004	140.5	14.3	18.3	13.0
Polyplex Corpn.	March 2005	76.2	11.3	8.0	31.2

(\* Source Capital Market October 24 – November 06, 2005; Sector - Packaging)

**The face value of the shares of our Company is Rs. 10/- per share and the Issue Price of Rs. 20/- per share is 2 times of the face value of the shares of our Company**

The Lead Manager believes that the Issue Price of Rs. 20/- per equity share is justified in view of the above qualitative and quantitative parameters. The investors may want to peruse the risk factors and the financials of our Company including important profitability and return ratios, as set out in the Auditors' Report in Part II of the Prospectus to have a more informed view of the investment proposition.

The allocation to the Qualified Institutional Buyers shall be determined by the Lead Manager in consultation with the Issuer Company based on prior commitment, investor quality, earliness of application etc.



## STATEMENT OF TAX BENEFITS

Our Company has been advised by H. P. Shah Associates, Tax Auditors of our Company, vide their letter dated 25.10.2005 that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, *interalia*, will be available to our Company and the Members. However, an investor is advised to consider in his own case the tax implications of an investment in the shares from time to time. The statement of tax benefits certificate from the Tax Auditors of our Company is reproduced below:

### **The Board of Directors**

Radha Madhav Corporation Ltd.,  
Daman Industrial Estate  
Village Kadaiya  
Daman

Dear Sirs,

We hereby certify that the enclosed annexure states the tax benefits available to Radha Madhav Corporation Limited (the "Company") and to the Shareholders of the Company under the provisions of direct tax laws presently in force.

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

A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**For H. P. SHAH ASSOCIATES**

**Sd/-**

**H. P. SHAH  
PROPRIETOR  
CHARTERED ACCOUNTANTS**

Place: Vapi

Date: October 25, 2005

**ANNEXURE TO THE CERTIFICATE DATED 25.10.2005**

**TAX BENEFITS**

**I. UNDER INCOME TAX ACT.**

**(A) TO THE COMPANY**

1. Subject to Compliance of certain conditions laid down in Section 32 of the Income Tax Act,1961 (hereinafter referred to as "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 know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under Income Tax Rules, 1962;
  - c) In respect of machinery or plant which has been acquired and installed after 31st March 2002 by the company for manufacture or production of any article or thing a further sum of 20% of the actual cost of such machinery or plant will be allowed a deduction;
2. Subject to compliance of certain conditions laid down in section 80IB (4) of the Act, the Company will be entitled to the benefit of deduction from profits of its units mentioned below for the assessment years mentioned there against, of an amount equal to 25% of profits derived from eligible industrial undertaking, to the extent calculated in accordance with the provisions of the said section.

<b>NAME OF THE UNIT</b>	<b>ASSESSMENT YEAR</b>
Unit I (Formerly Known as Metro Poly Prints)	2005-06 to 2009-10
Unit II (Formerly Known as Radha Madhav Industries)	2005-06 to 2009-10
Unit III (Formerly Known as Mayura Industries)	2006-07 to 2010-11

The expansion planed by the company will be, as submitted before us, called unit IV and this unit will not be eligible for deduction under section 80IB(4) of the Income Tax Act., 1961.

**(B) TO THE SHAREHOLDERS OF THE COMPANY –**

**(a) RESIDENT SHAREHOLDERS**

3. In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.
4. In terms of section 10(38) of the Act, any long-term capital gains arising to a shareholder from transfer of long-term capital asset being an equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
  - a) The transaction of sale of such equity share is entered into on or after 10th September 2004.
  - b) The transaction is chargeable to such securities transaction tax as explained below.
5. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No. 2) Act, 2004, transactions for purchase and sale of the securities on the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.1% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.02 % of the value payable by the seller.
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 his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, for amount paid on account of securities transaction tax.
7. In terms of 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 shares of the company.



8. Under section 48 of the Act, if the company's shares are sold after being held for not less than twelve months, the gains [in cases not covered under section 10(38) of the Act], if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
  9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
    - a) National Bank for Agriculture and Rural Development established under section 3 of The National Bank for Agriculture and Rural Development Act, 1981;
    - b) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
    - c) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
    - d) National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
    - e) Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989;
  10. Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] on the transfer of shares of the Company, as and when it is listed, will be exempt from capital gains tax if the capital gains are invested in shares of an Indian Company forming part of an eligible public issue, within a period of 6 months after the date of such transfer and held for a period of at least one year. Eligible public issue means issue of equity shares which satisfies the following conditions, namely -
    - a) the issue is made by a public company formed and registered in India;
    - b) the shares forming part of the issue are offered for subscription to the public;
  11. Under section 54F of the Act, long term capital gains [in cases not covered under section 10(38) of the Act] arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
  12. Under section 112 of the Act and other relevant provisions of the Act, Long term capital gains, (i.e., if shares are held for a period exceeding 12 months) [in cases not covered under section 10(38) of the Act], arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to section 48. The amount of such tax should however be limited to 10% (plus applicable surcharge and Education Cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
  13. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of shares in the Company on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge and Education Cess).
- (b) NON-RESIDENT INDIANS/ NON RESIDENTS SHAREHOLDERS [OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS]**
14. In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received by a non-resident Indian shareholder (i.e. an individual being a citizen of India or person of Indian origin who is not a 'resident') on the shares of the company is exempted from the tax.
  15. In terms of section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being an equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
    - a) The transaction of sale of such equity share is entered into on or after 10th September, 2004.

- b) The transaction is chargeable to such securities transaction tax as explained below.
16. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No. 2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.1% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.02 % of the value payable by the seller.
  17. 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 his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
  18. Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
    - a) National Bank for Agriculture and Rural Development established under section 3 of The National Bank for Agriculture and Rural Development Act, 1981;
    - b) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
    - c) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
    - d) National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
    - e) Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989;
  19. Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] on the transfer of shares of the company, as and when it is listed, will be exempt from capital gains tax if the capital gain are invested in shares of an Indian company forming part of an eligible public issue, within a period of 6 months after the date of such transfer and held for a period of at least one year. Eligible public issue means issue of equity shares which satisfies the following conditions, namely -
    - a) the issue is made by a public company formed and registered in India;
    - b) the shares forming part of the issue are offered for subscription to the public;
  20. Under Section 54F of the Act, long term capital gains [in cases not covered under section 10(38) of the Act] arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
  21. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (i.e. if shares are held for a period exceeding 12 months) [in cases not covered under section 10(38) of the Act], arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to section 48. The amount of such tax should however, be limited to 10% (plus applicable surcharge and Education Cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
  22. Under section 115-I of the Act, the non-resident Indian shareholder has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating To Certain Incomes of Non-Residents" which are as follows: -
    - a) Under section 115E of the Act, where shares in the company are acquired or subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months on a recognized stock exchange, shall (in cases not covered under





- section 10(38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge & education Cess) (without indexation benefit but with protection against foreign exchange fluctuation).
- b) Under provisions of section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the Act) 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.
  - c) Under 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 income chargeable under the Act, consists of only investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
23. Under the first proviso to section 48 of the Act, in case of a non resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the Act), 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. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.
- (c) FOREIGN INSTITUTIONAL INVESTORS (FII'S)**
24. In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.
25. In terms of section 10(38) of the Act, any long term capital gains arising to an investor from transfer of long term capital asset being an equity shares in a company would not be liable to tax in the hands of the investor if the following conditions are satisfied:
- a) The transaction of sale of such equity share is entered into on or after 10th September, 2004.
  - b) The transaction is chargeable to such securities transaction tax.
26. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No. 2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the investor, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.1% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.02 % of the value payable by the seller.
27. 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 his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
28. The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares in the company would be taxed @ 10% (plus education Cess) as per section 115AD of the Act. However in case of such long term capital gains, the tax is levied on the capital gains computed without considering the cost indexation and protection against foreign exchange fluctuation
29. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain [in cases not covered under section 10(38) of the Act] arising on the transfer of share of the company will be exempt from capital gain tax if the capital gain are invested within a period of 6 month after the date of such transfer for a period of last 3 year in bond issued by: -
- a) National Bank for agriculture and Rural Development established under section 3 of The National Bank for Agriculture and Rural Development Act, 1981;
  - b) National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988
  - c) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
  - d) National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and

e) Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989.

30. Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains [in cases not covered under section 10(38) of the Act] on the transfer of shares of the company, as and when it is listed, will be exempt from capital gains tax if the capital gain are invested in shares of an Indian company forming part of a eligible public issue, within a period of 6 months after the date of such transfer and held for a period of at least one year. Eligible public issue means issue of equity shares which satisfies the following conditions, namely -

- a) the issue is made by a public company formed and registered in India;
- b) the shares forming part of the issue are offered for subscription to the public;

**(d) VENTURE CAPITAL COMPANIES/FUNDS**

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend from and income from sale of shares of the company.

**II. BENEFITS TO MEMBERS OF THE COMPANY UNDER THE WEALTH TAX ACT, 1957**

Shares of company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act 1957, hence shares of the company are not liable to Wealth Tax Act, 1957.

**III. BENEFITS TO MEMBERS OF THE COMPANY UNDER THE GIFT TAX ACT, 1958.**

Gift made after 1st October 1998 is not liable for any gift tax and hence gift of shares of the company would not be liable for any gift tax.

**IV. BENEFITS TO THE COMPANY UNDER THE DAMAN & DIU VALUE ADDED TAX REGULATION, 2005 AND THE CENTRAL SALES TAX ACT, 1956**

On the basis of an opinion received from an eminent expert, M./S. Agarkar & Company Advocate Daman, the company is eligible for Sales Tax exemption so far as Central Sales Tax in concern for a period of 5 years from 6-03-05 and far Local sales Tax on the class of goods which were already mentioned in the Registration Certificate granted by the Sales Tax Department as on 30-04-2000 for a period of 5 years from 6-03-05 for Unit I (Formerly Known as Metro Poly Prints) Unit II (Formerly Known as Radha Madhav Industries) Unit III (Formerly Known as Mayura Industries). The expansion planed by the company which will be called unit IV will be eligible for Sales Tax exemption so far as Central Sales Tax in concern, for a period of 5 years from 6-03-05.

**Notes:**

- 1. All the above benefits are as per the current tax law as amended by the Finance Act, 2005.
- 2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
- 3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- 4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.



## INDUSTRY OVERVIEW

Today we reside in a visual world where images influence our buying decisions and within a fraction of second it captures consumer attention. Attractive, economical and practical packaging is designed to generate maximum marketing response. Packaging has grown in importance and is regarded as a vital marketing tool. Better packaging results in protection and safe transportation of products, reduces loss, and prevents damage and wastage of products.

Packaging is a multi-technology business that touches almost everything made. Right from chocolate, food, clothing, shelter, automotive, appliance, electronics – packaging is everywhere. Since packaging involves product and technology that encompass all materials and specialties of engineering, viz., paper, plastics, chemicals, steel, mechanical, electrical and electronics and robotics, the packaging industry and hence entrepreneurship evolved around either single 'product or single technology. The consolidation and synergistic combination of technologies and products is still in its primitive stage. Except for a few players having more than one technology or product-market focus, there are very few companies with holistic packaging approach.

Large manufacturers of FMCG, appliances, automobiles, pharmaceuticals, etc., are focusing on their core activity, driven by the mantra of core competence. Thereby non core activities such as I.T. or even manufacturing are being outsourced. In this environment more and more companies are likely to outsource packaging to specialist service providers.

Established global players in various industries are setting up operations in India, China, etc., to derive the benefit of lower costs as well as access to large potential markets. This makes India and China very attractive destinations for the packaging industry

### Indian Scenario

The packaging industry in a developed country generally caters to a society which is well aware of the importance of packaging. Whereas, in a developing country like India; the packaging industry has to cater both the aware and unaware classes of society. The unaware class of society forms the majority of population and needs only the product in packed condition. The qualities of packaging or innovative ideas are important for the aware class of society but not the unaware class of society.

The current wave of economic development in India is being seen from all over the world. The consumer goods buying behavior in Urban India is changing very rapidly. It will further accelerate with the commitment of the government in globalization. The fast growing scenario of electronic media, communications and traveling facilities would also help to infect the shopping behavior of Rural India in near future.

The expansion of the Indian primary and secondary packaging market has been accelerated broadly due to growing middle class, conversion of traditional form of packaging into modern forms, favorable excise structure, liberalization of Indian economy, globalization, Increasing hygiene consciousness, usage of small flex pack pouches, increasing textile exports packed in plastic bags, entry of multinationals fueling the demand for sophisticated plastic-based flexible packaging products.

A great degree of potential exists for most of the user segments in India and are expanding appreciably. With a promising growth rate, an expanding consumer base, and more than 1 billion inhabitants, India has one of the most rapidly expanding packaging industries in the world.

Since, the Indian Packaging industry is highly fragmented and is dominated by large number of unorganized players, no published and authenticated data are available to our Company about the industry and competition.

### Growth Potential

The packaging industry in India started way back in the 1950's, has grown slowly and steadily in both quality and quantity. The 70's and 80's witnessed a remarkable change in materials as well as machinery depending on the tastes of the markets. This has not only improved the prospects of the industry but also opened it up to innovations. In this period, the industry by and large, depended on domestic resources for materials as well as machinery. This was due to various restrictions on imports. However the liberalization since 1990's has changed the entire industry scenario. Packaging in India now has a promising turnover with an astonishing growth rate. The changing pattern of the Indian consumer behavior directly affects the packaging industry as the direct expenditure incurred by companies to make the products attractively packaged is increasing day by day.

In terms of keeping pace with the change in consumer behavior and increased brand consciousness, India is lagging behind the developed countries. Even now, in India large amount of products are sold in loose form and not with adequate packaging. Fresh vegetables and fruits packed and sold in India is much lower than compared to that in developed countries. In this backdrop the Packaging in India is poised to grow as more and more produce will be packed and sold in India. Similarly Food and agricultural markets shall dominate the sales of converted flexible packaging in India

### Major Segments

The consumer market dominates the global packaging industry and accounts for an estimated 70 per cent of sales, with industrial applications taking the remaining 30 per cent of the share. The food industry is the largest end-user market, followed by the beverage industry. A high degree of potential exists for almost all user segments in India and are expanding appreciably.

**For Primary Packaging:**

Processed foods, Mouth fresheners, Beverages, Confectionary, Bakery products, Spices, Edible oils, Soaps and detergents, Drugs and pharmaceuticals, Cosmetics and personal care, Chemicals and fertilizers, Office stationary, Engineering products, Tattoos. FMCG products like Snack foods, water, beverages, edible oil, confectionary/ milk and milk products, fruits and jam, Personal care like cosmetics, toiletries, shampoos, Detergent, Pharma packaging and industrial packaging like Lube oils, lubricants, Paints, coatings, Post harvest packaging, Disposables- cups and containers, Sheets and stationery products.

**For Secondary Packaging:**

Compact disk, Toys, Games, Sporting goods, Records, Audio/ video tapes, Magazines, Drinking cups and glasses, single serving bowls, cosmetic bottles, paper reams, notebooks, video and photo cameras, frozen food, refrigerated pizza, boxed items, single selling units.

Food and agricultural markets also dominate the sales of converted flexible packaging in India and will continue to expand on account of several factors - rising consumption of packaged foodstuff; the increasing presence of multinational food and beverage firms in India; the trend towards additional processing of food grains and fresh produce; ongoing efforts to improve sanitation and food safety.

Key markets include rice, other grains, food crops, various processed foods, and chewing tobacco. Personal care products such as cosmetics and toiletries are also important with fast growing Indian markets. Growth is seen in the pharmaceutical sector also due to expanding penetration of a large drug-producing industry.

**Factors Affecting Growth of Packaging Industry in India**

***Urbanization***

Modern technology is now an integral part of nation's society today with high end package usage increasing rapidly. As consumerism is rising, rural India is also slowly changing into more of an urban society. The liberalization of the Indian economy, coupled with globalization and the influx of the multi-nationals, has improved the quality of all types of primary and secondary packaging. Also industrialization and expected emergence of the organized retail industry is fueling the growth of packaging industry.

***Growing entrance of Women into Business***

With time, more and more women are entering the business world and there is rise in the incomes of the middle-income families. Working women generally do not prefer to spend too much time in kitchens making time-consuming elaborate meals as daily routine. This has resulted in an expanding market for convenience products, both in the foods and non-foods sectors. There is an expanding market for ready-to-eat microwave-able food items; partially cooked food, and snack food.

***Increasing Health Consciousness***

As people are becoming more health conscious, there is a growing trend towards well packed, branded products rather than the loose and unpackaged formats. Today 'even a common man is conscious about the food intake he consumes in day-to-day life.

***Low Purchasing Power resulting in Purchase of Small Packets***

India being a growing country, purchasing power capacity of Indian consumers is lower; the consumer goods come in small, affordable packages. Apart from the normal products packed in flexible packaging, the use of flexible in India includes some novel applications not usually seen in the developed world. Products like toothpaste, toothpowder, and fairness creams in laminated pouches are highly innovative and are not used elsewhere. Another typical example of such applications is Tobacco and betel nut-based intoxicants and mouth fresheners catering to unique Indian taste.

***Indian Economy Experiencing Good Growth Prospects***

The Indian economy is growing at a promising rate, with growth of outputs in agriculture, industry and tertiary sectors. Overall economic growth has proved to be beneficial for the consumer goods market, with more and more products becoming affordable to a larger section of the population.

***Changing Food Habits amongst Indians***

Changing lifestyles and lesser time to spend in kitchens are resulting in more incidence of eating away from homes resulting



in explosive growth of Italian, Chinese restaurants and pizza, burger outlets all over the country.. Indians are trying out newer cuisines and also purchasing similar food items for their homes. Therefore, the review period has seen new products like pasta, soups, noodles being launched in India, fueling the growth of packaging industry in India.

**Personal health consciousness amongst Indians:**

With growing awareness towards contagious diseases like AIDS and other STDs, awareness towards usage of contraceptives and disposables syringes have increased the demand for packaging required for the same

***Rural Marketing Pushing Demand for Sachets***

India comprises of a big rural market and there has been growing focus on rural marketing, whereby manufacturers are introducing low-priced goods in smaller pack sizes. Low priced sachets have proved to be extremely popular in smaller towns and villages, where people do not prefer to buy larger packs due to financial constraints.

## OUR BUSINESS

Our existing business is resultant of acquisition of running business of three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which became Unit I, Unit II and Unit III respectively of our Company. For more details please refer section titled "Our History and Certain Corporate Matters" appearing on page 63 of this Prospectus.

Our Company is a medium sized manufacturing company with ISO 9001:2000 certification from TUV Rheinland. Our Company is engaged in diversified packaging & printing activities and catering to varied clientele including Public Sector units, government organizations, institutions, large scale industries, Co operative unions, Federations, Boards and various small scale industries encompassing industries like infrastructure, metal, cement, publication, inks, FMCG, merchant export, textile and garments, Pharmaceuticals, Food and Spices, hygiene, , Soaps and detergents, Cosmetics and personal care, coatings, Post harvest packaging, edible oil, confectionary, milk and milk products and various other industries. Our top ten clients are mainly from milk and milk products, coatings, FMCG and textile industry, which contribute approximately 40% of our total sales.

We are a techno-driven Company with modern facilities for production. Our Company has thrived on technological edge and know-how of materials and processes. Our manufacturing activities can be divided into two areas; Primary Packaging and Secondary Packaging. Primary packaging material is in direct contact of the product and sold as integral part of single saleable unit like soap wrapper, confectionary packet, tea and shampoo sachet, whereas secondary packaging is used to pack such single units in large number like cartons, stretch wraps, straps, tapes etc.

Primary packaging business of our Company constitutes of "Flexible Packaging", "Specialty Films" and "Folded Cartons". Flexible packaging can be categorized into laminates, labels, wrappers, sleeves etc.

- Specialty films can be thermo formable, surface printed or laminations films.
- Folded cartons are paperboard cartons to pack single selling units like toothpastes, ointments, etc.

Secondary packaging business of our Company constitutes products like bags, liners, stretch films, shrink films, overwrap films, specialty thermoformable films, paper tubes, cartons, etc.

- Bags and liners can be made of different material and are used for general packing
- Stretch films are used for pallet wrapping, food packaging, etc.
- Shrink films are used to shrink glass bottles during transportation, paper reels, etc.
- Overwrap films are used to wrap bakery products, textiles, etc.
- Specialty thermoformable films are used for soft blister packaging of medical appliances
- Paper tubes and cores are used for winding yarns, textiles, films, etc.
- Cartons are used for general packing and various profiles for varied applications like as support packing with steel straps

With in house manufacturing of barrier cast and blown films, lamination, gravure coating, extrusion coating, and printing facility our Company presently manufactures surface printed barrier films, metallized films, laminates, wrappers, overwrap films and lamination films of varied types. We also manufacture quality multi colored printed mono cartons.

Our Company manufactures range of secondary packaging with a product portfolio of stretch cast films, BOPP tapes, Masking film, Soft Blister Films, and commodity liners of various materials like PE, PVC and PP.

Our present business is being done through three units. The unit-wise details of our business are mentioned hereunder:

### UNIT I

Unit I employ one wide width T-Die extrusion coating cum cast film extrusion machine and four TQPP extrusion machines manufacturing following products:

1. **Cast Stretch Films:** Stretch film manufactured by RMCL is by cast process. Both blown and cast films are available in the market however cast stretch films are preferred over blown stretch films due to its better optical and cling properties. Raw material cost of cast stretch film is also lower than that of blown stretch film; however machinery cost is comparatively five times that of blown film extrusion machine. Our Company manufactures both manual and machine type stretch films with a range of properties and prices to suit various usages and various price sensitiveness. Our cast line is equipped with precise beta gauge control system to ensure the thickness variation of the film.
2. **Cast Polypropylene Polyethylene Films:** These are some special films manufactured by our Company, these films comprise of a layer of polypropylene in the centre and layers of LLDPE- PP copolymers / LLDPE on the either side. These films give great stiffness and transparency. They also have better barrier properties than conventional lamination films. They can be used for various applications.





3. **Soft Blister Films:** These films are thermo formable and are used to pack medical syringes. These films are produced in hygienic conditions we maintain in our workplace. It is essentially a polypropylene polyethylene film made with materials having good draw down characteristics.
4. **Three Ply and Four Ply Extrusion Coated Laminates:** Extrusion coated laminates are manufactured by laminating two or more substrates by hot molted polymer material applied through a T die. These laminates are used in bulk packaging of tea, contraceptives, and many high barrier applications. Company has one of the widest die to manufacture laminates in the industry. Larger widths bring substantial savings to client as the laminate is folded and only one side gluing is done. Poly coated glassine paper and poster papers are used in pharmaceuticals and conventional packaging.
5. **Polypropylene bags, sheets and liners:** TQPP bags and liners are manufactured in our Unit I and are available to pack various textile and secondary packaging applications. Company specializes into bottom sealed PP bags for grocery and secondary packing applications.

## UNIT II

Unit II has installed spiral winding machines, TQPP blown film extruders and multicolored offset printing machine producing following products:

1. **Paper Tubes and Cores:** These are manufactured by sticking together many strands of paper and winding around a moving mandrel. These tubes are used to wind yarns and fibres whereas cores are used to wind films and textiles.
2. **Continuous Computer Stationary:** These are preprinted as per the desired and specified design and are used to print invoices, challans, marksheets, etc.
3. **TQPP film, liners and bags:** these liners or bags are made by extrusion of TQPP material through extrusion process. The tubing thus formed by extrusion is then cut and sealed on side seal or bottom seal machine as per requirement/

## UNIT III

Unit III employs 4 three layered blown film and printing machines and balancing equipments like slitters manufacturing following products:

1. **Multilayered Blown Films for Lamination:** These lamination films are laminated with substrates like PET/ BOPP and the composite structures are used for packing of various end uses like packing of rigorous oils, mayonese sauces, ketchups, skimmed milk powders, various pesticides and other various challenging end uses.
2. **Multilayered Blown Films for Surface Printing:** Our Company manufactures blown films for surface printing application used to pack oils, milk and its derivatives and aqueous materials. Company makes special matt finish barrier film widely excepted by the market. Company has in house printing facilities to print the films and it mostly sells printed films ready to use by the consumers.
3. **Laminated Film, Rolls and Pouches and Bags:** Our Company also manufactures laminated films, rolls and pouches specially designed for specific customers. Generally films like PET and BOPP are reverse printed and laminated with lamination films. They could be two or three ply depending on the barrier and aesthetic properties required. At present company manufactures only solvent based laminates..
4. **Multi Colored Offset Printed Folded Cartons:** Company employs best of the machines in the industry like Planeta, six color super variant and a four color Man-Roland offset printing machines to print high quality paper boxes. They are further processed on equally efficient punching and glueing machines from Bobst and Vega. These boxes form primary packaging material for cosmetics, contraceptives, tea, pharmaceuticals and many other purposes.

## Expansion Project

Our Company is going for horizontal integration by way of adding new products to our existing products with a goal to capture a substantial market share and achieve a price leadership position. To achieve the goal, our Company has planned for capital expenditure of Rs. 50.06 Crores for setting up of manufacturing facility for new product and to add on the capacities for existing products.

Packaging is growing at a phenomenal rate with increase in the aspirations about print quality. Surface printed films by Central Impression Flexography are attractive with possibility of printing high quality images and pictures on the soft and stretchable materials like blown films. These types of films are also economical as they are printed at a very high speed. We are hence installing a state of the art Central Impression Flexo printing machine to add value to our already existing line of business i.e. manufacturing of blown films.

We are already manufacturing stretch films in our unit I and are one of the very few suppliers to make stretch films by both cast and blown processes. We are further increasing our capacities to manufacture stretch film by blown film process. We shall install five layered and three layered machines to manufacture the same, whereby encompassing the entire range of stretch



films being produced in the industry. These five-layer and three-layer blown film machines would be versatile and be capable of producing lamination and surface printable films as we are manufacturing in our Unit III, since we are doing well in our unit III, further increase in the capacity for the same products will give us a better edge over competitors. Since our unit III already has experience of manufacturing three layered blown films for lamination and our Unit I have also been involved in similar activities, we would like to start manufacturing the laminates also at a larger scale. We are thus installing gravure printing machines, laminators and balancing machines to increase our capacity to manufacture laminates. Investing in both the gravure and C I flexo will compliment each other and the consumer industry can be served in totality.

We are also installing hot melt register coating machine to add value to the already made laminates. They will be used to pack soap wrappers. We shall also produce shrink labels as shrink film can be printed on the same gravure machine. We shall also invest in glue pasting machine to add value to our existing line.

We are also investing in liner pasting machine capable of manufacturing bag in boxes type packing units. Our Unit III has quality mono carton printing capacity; this machine will add value to the same line of business.

Our Unit I have a combination machine capable of manufacturing cast films and perform extrusion coating, in the earlier days we used to manufacture both the types of products. Since, we have enough orders for stretch films; it is becoming uneconomical for us to change the mode of machines frequently due to high down time. We have established market for extrusion coated products and hence we are investing in a separate machine for extrusion coating. Some of the parts of our earlier machine can be used on the new machine giving us a distinct cost advantage.

Since, our Company is also in manufacturing of secondary packaging materials especially stretch films; we have been closely monitoring the demand of newer products in the market. POF films are relatively new in the market and are highly economical. Markets for these films are growing at a very high speed. Further more, imported POF films are distributed through same/similar distribution channel as our stretch films. There is an opportunity to start producing same films in India.

#### **Location**

All our three existing manufacturing units are situated in Daman Industrial Estate, Kadaiya, Daman itself. Further, as part of expansion project, our new manufacturing unit, Unit IV, is being set-up at Survey No. 107/2, 108/1 & 108/2, Daman Industrial Estate, Kadaiya, Daman. The new Unit IV is located within one kilometer from our other existing units.

Daman is located at approximately 160 kilometers from city of Mumbai and is well connected by road, railways services available between Mumbai and Ahmedabad and international ports. The nearest railway station, Vapi, is just about 15 kilometers away from Daman, National Highway No. 8 is about 12 kilometers away and two major international ports JNPT and Nava Sheva are about 100 kilometers away from Daman. Further, Power and Water supply is easily available in Daman and is also economically viable.

#### **Plant & Machineries**

For the current project, our Company has estimated the requirement of Plant & Machineries aggregating to Rs.37.40 Crores (including Customs Duty aggregating Rs. 1.00 Crore on Imported Machinery under EPCG Scheme). Our Company has already placed orders for the following imported Plant & Machinery aggregating Rs. 8.04 Crores till 25th August 2005; the details of which are mentioned hereunder:

**Rs. in Crores**

Description	Supplier	Quantity	Unit	Total Estimated Cost	Date of Order Placed	Expected Delivery Date
Central Impression Flexo Press (including attachments)	Schiavi, Italy	1	Nos.	8.04	04.07.05	31.12.05

Further, we have also placed orders for the following indigenous Plant & Machinery aggregating Rs. 5.41 Crores till 25th August 2005; the details of which are mentioned hereunder:

**Rs. in Crores**

Description	Supplier	Quantity	Unit	Total Estimated Cost	Date of Order Placed	Expected Delivery Date
Solvent Less Lamination Machine	Raulimex Industries	1	Nos.	1.11	30.07.05	31.01.06
Three Layer Blown Plant 2 Nos.	Rajoo Engineers Ltd.	2	Nos.	2.30	30.07.05	31.01.06
Five Layer Blown Film Plant	Rajoo Engineers Ltd.	1	Nos.	2.00	30.07.05	31.01.06

Further, our Company has received quotations for balance requirement of Plant & Machineries aggregating Rs. 23.95 Crores (including Lab Equipments from various local suppliers and Erection & Commissioning), which are 64.04% of the total requirement.



The brief details of balance Plant & Machineries required to be ordered are mentioned hereunder:

**Imported Plant & Machineries**

Rs. in Crores

Sr. No.	Description	Tentative Supplier	Quantity	Unit	Total Estimated Cost	Date of Quotations Relied Upon
1	Double Bubble Poly Olefin Shrink Film Plant Five / Three layer	Techno Coating Engineering, Italy	1	Nos.	9.50	12.06.05
2	Slitting Machine	Techno Coating Engineering, Italy	1	Nos.	0.50	18.06.05
3	Folder	Techno Coating Engineering, Italy	1	Nos.	0.50	18.06.05
4	In register Cold Seal & Hot Melt Applicator	Sung An, Korea	1	Nos.	1.00	18.06.05
5	Liner Carton Pasting Machine	Heiber & Schrolder	1	Nos.	0.60	21.02.05
6	Loop Handle Bag Making Machine	Hypas, Taiwan	1	Nos.	0.35	10.06.05
	Add: Customs Duty on Imported Machinery under EPCG Scheme				1.00	
	<b>Total</b>				<b>13.45</b>	

**Indigenous Plant & Machineries**

Rs. in Crores

Sr. No.	Description	Tentative Supplier	Quantity	Unit	Total Estimated Cost	Date of Quotations Relied Upon
1	Ten / Eight Color Roto Gravure Printing Machine	Raulimex Industries	1	Nos.	2.44	18.06.05
2	Solvent Base Lamination Machine	Raulimex Industries	1	Nos.	1.11	18.06.05
3	Acrylic Coating Machine	Raulimex Industries	1	Nos.	1.10	18.06.05
4	Slitter for Acrylic Coating Machine	Raulimex Industries	1	Nos.	0.40	18.06.05
5	Slitting Machine 1 Nos.	Raulimex Industries	1	Nos.	0.25	18.06.05
6	Inspection Machine	Raulimex Industries	1	Nos.	0.12	18.06.05
7	Rewinding Machine	Raulimex Industries	1	Nos.	0.07	18.06.05
8	Mono / Two Layer Blown Film Plant 3 Nos.	Kabra Extrusion Technik Limited.	3	Nos.	0.82	05.07.05
9	Extrusion Coating Machine	JP Industries	1	Nos.	1.10	09.07.05
10	High End Pouch Making Machine	Flex Engineering Ltd.	1	Nos.	0.40	08.07.05
11	Pouching Machine	Flex Engineering Ltd.	1	Nos.	0.30	08.07.05
12	Slitter for Laminates 2 Nos.	Raulimex Industries	2	Nos.	0.50	18.06.05
13	Generator Set	Sudhir Gensets Ltd.	1	Nos.	0.35	09.07.05
14	Boiler	Thermopack	1	Nos.	0.50	21.07.05
15	Chilling Plant	Voltas Limited	1	Nos.	0.40	18.07.05
16	Electrification	National Electricals	1	Nos.	0.25	07.07.05
17	Gluing Machine	Flex Engineering Ltd.	1	Nos.	0.20	08.07.05
18	Lab Equipment	Local Suppliers			0.10	
19	Erection & Commissioning				0.09	
	<b>Total</b>				<b>10.50</b>	

**Note: Our Company is negotiating with several suppliers and the actual supplier may vary from the one mentioned above.**

Further, our Company has not bought or does not propose to buy any second hand Plant & Machineries out of the Issue

proceeds.

### **Technology**

Most of our existing products are formulation intensive rather than technology intensive. The existing Multi-layer technology for Blown Film Lines has been provided by Kabra Extrusion Technik, whereas in the current expansion project, it will be provided by Rajoo Engineers Ltd. Our existing Cast Film Production technology is from J.P. Industries and in the current expansion project; our Company is buying Extrusion Coating Machine from the same supplier.

Further, through the current expansion project, our Company will venture into Double Bubble Polyolefin Shrink Films, which are highly technical in nature and demand good process and formulation technology. Along with the supply of Plant & Machineries, Techno-Coating Engineering, Italy will provide training to our personnel for process know-how and formulations. For Printing process, our Company will be installing Plant & Machineries of both gravure and flexography nature. For flexography printing, our personnel will be trained by Schiavi, Italy.

Our Company proposes to have a proactive approach for technological changes.

### **Process**

#### **Unit I**

##### ***Extrusion***

The plastic pellets are fed from a feed hopper in the channel of a screw in the extruder. The screw rotates in a barrel (which is heated or cooled to adjust or hold a particular melt temperature and serves almost as a pressure vessel to contain the operation.) and the screw while rotating conveys the plastic forward for melting and delivery. Heat is generally applied to the barrel by electrical heaters. Finally the melt passes through an adaptor and into the die that dictates the shape of the final extrudate.

##### ***T-Die and Cast Film Extrusion***

(Used for manufacturing stretch, cast lamination, soft blister films and 3 & 4 ply extrusion coated laminates.)

Here, the molten material is extruded (pumped) through a T-die (also known as a slit or a coat hanger die) and onto a chilled and highly polished metal roller. The gap between the die lips determines the film thickness. The rapid cooling of the hot film leads to the formation of smaller crystallites, giving excellent clarity and glitter to the film. The advantage over the blow-films is clarity, uniformity of thickness, superior cling properties and higher outputs.

##### ***TQPP Film Extrusion***

(Used for manufacturing PP bags and liners)

Here the molten material is extruded (pumped) through a cylindrical die into chilled water bath. The sizer fitted on the machine imparts dimension to the film roll. This film roll is wound on the winder and subsequently sent to cutting machine for bag making or printing machine for printing.

#### **Unit II**

##### ***Spiral Winding***

(Used for manufacturing Paper Tubes and Cores)

First Kraft Paper rolls are slit into distinct size depending on the customer's requirement, these slitted reels are then fed to the winding machine on their individual stand in the unwinder. These paper reels then pass through the rollers to the mending roller for making hard coil. When the rolls are passed through the rollers to the mender the papers are pasted with the gum. On the top of the hard coil butter paper is coiled. It is passed through the other end. There is continuous generation of the tube, at a particular length the hard coil is cut. The length of the coil is prefixed. These long tubes are then again loaded into slitting machine to slit the rolls as required by the customers. Sometimes at the bottom of the tube even printed-paper is kept as per the customers' requirement.

##### ***Offset Printing (Continuous Computer Stationery)***

First the proof is prepared as per the color scheme and design specified by the client. After the finalization of the proof the positive is prepared, these positives are used to expose plates which are fitted on the rollers of the printing machine. Paper rolls of specific GSM and color as specified by the customer are slit on the slitting machine. This paper is then fed to the printing machine to get the print on the paper. It can also be perforated and collated in the same process. Whereby the sides of the paper are punched and perforated to turn the paper into continuous stationery. In case of the stationery with carbon then the printed rolls are loaded into other machine, where carbon paper is also loaded. Paper –Carbon Paper are passed through the roller together to get the stationery with the carbon.



## Unit III

### **Blown Film Extrusion**

(Used for manufacturing Three Layered Lamination and Surface Printed Films)

The molten extrudate enters the die and flows round the mandrel to emerge through a ring-shaped die opening in the form of a tube. This tube is expanded into a bubble by blowing air through the mandrel, the blow-up ratio being 1:25 to 3 and up to 7 or 8 for special material like HM-HDPE. The air is contained in the bubble by pinch rollers at one end and by the die at the other. The size of the bubble and the film thickness are controlled by die gap, air pressure, extrusion and take-off speeds.

### **Gravure Printing**

(Used for manufacturing printed films, PET/BOPP films)

Gravure printing process is used for long runs of multi-colored, high quality jobs at high press speeds. Gravure printing is a direct printing process that uses a type of image carrier called intaglio. Intaglio means the printing plate, in cylinder form, is recessed and consists of cell wells that are etched or engraved to differing depths and/or sizes. These cylinders are usually made of steel and plated with copper and a light-sensitive coating.

The ink is applied directly to the cylinder and from the cylinder it is transferred to the substrate. Gravure presses have the cylinders rotate in an ink bath where each cell of the design is flooded with ink. A system called a "doctor blade" is angled against the cylinder to wipe away the excess ink, leaving ink only in the cell wells.

Rotogravure presses use the gravure process to print continuously on long rolls rather than sheets of paper. Unlike lithography and flexography, gravure printing does not break solid, colored areas into minute dots (half tones) to print the areas, which makes it ideal for reproducing high-quality continuous tone pictures, especially when using glossy inks.

### **Offset Printing (Folded Cartons)**

Since ours is a sheet fed machine, Paper reels are first cut into the sheets depending on the size of the sheet required. They are then silted as per the required size, giving the paper proper finish. Plates for printing are prepared separately according to the desired design and are registered/fixated into the printing machine. Embossing, lamination, coating or foil stamping on the printed-paper is done according to the job requirement. Printed sheets are then punched on the punching machine according to the desired shape of the carton. The punched sheets are then sorted out and unwanted portion left out during the punching is stripped out. At the end the cartons are bundled and packed for shipment as required.

## Unit IV (Proposed)

### **Double Bubble Polyolefin Film**

Technology adopted for POF film is from, Techno Coating engineering (Italy). Machine is essentially a three-layer configuration with installed gravimetric dosing system. The sizing rings are equipped with accurate air rings to give desired thickness tolerances. Secondary sizer, air ring and the haul off are patented and integrate through state of the art software and electronic gazettes

Different polymers of varied grades are extruded in three individual extruders placed on the platform at height of approximately four meters above ground level. Molten material from each extruder comes to adaptor and forms a co-centric ring. This molten ring passes through first sizing ring and is oriented for the first time in machine direction.

Haul-off pulls the tube by differential line speed giving film complete orientation in the machine direction. This oriented tube passes through a oven drier for stabilization of stresses built up during orientation. The tube is blown again in the secondary sizing ring and gets oriented in the transverse direction because of this process. Subsequent sizing rings and the basket support the film. Film is then slit and wound on the winder.

As a Post extrusion process, film is slit according to the requirement and is centre folded on the folding machines.

### **Five- Layered Blown Film**

Five individual extruders are loaded with specific raw material in their respective individual hopper. Extruder comprises of a cylinder like barrel encompassing a screw attached to a gearbox. As the screw rotates, material inside the hopper is pulled and is pushed through the flights of the screw towards the die. All the five extrudates (molten material) converge through the die through individual adapters and form one tubular extrudate. This tube comprises of five different co centric tubes heat welded to one another. This tube is blown by air to give required width of the film. The bubble is pulled up by the haul-off system and then pulled by the winder to wind. In the process it is treated and trimmed to get desired results.

### **Three-Layered Blown Film**

Similar process is involved in three layered machine also. However there are three individual extruders instead of five and the extrudate comprises of three concentric material layers instead of five.

### ***Eight Colored Central Impression Flexography Press***

A flexography CI press comprises predominantly of a central drum moving on the central bull gear. There are printing units around the central drum to impart different prints on the given substrate. The substrate to be printed passes along the central drum and each printing station print on the substrate. The exact position to be printed is controlled by computers and there is no scope of mis-registration. The inks are dried in the drying tunnels and the printed substrate is wound on the winder.

### ***Multi Color Gravure Printing Press***

This process is same as being currently used.

### ***Lamination***

We are installing two distinct machines to laminate two or three different substrates by solvent based adhesive or solvent less adhesives. Solvent less adhesives are odor less and is preferred in food industry, whereas solvent based adhesives are preferred where high bondage between individual substrates are required.

Process principally involves application of adhesive on the first substrate by gravure coating, passage of the substrate through the heated tunnel to dry the adhesive to a desired level, introduction and pinching of the second substrate by secondary unwinder and winding of the laminated structure.

### ***Hot melt coating in-register***

Ethyl Vinyl Acetate rich slurry is coated on the laminated structure of paper and reverse printed BOPP/PET in a desired pattern. This slurry is in hot molten form and after cooling gets solidified. This layer melts at a very low temperature and gives low temperature sealing property to the laminate.

### ***Extrusion Coating***

This process essentially involves melting of polymer by extrusion process and application of the extrudate on the other substrate through a slit called T-Die. The coated substrate passes over chilled roller, solidifying the molten material over the running substrate. We are installing an imported bead less die to ensure uniformity in the thickness of the material and a primer coating unit for coating silica on the substrates.

### ***Acrylic Adhesive Coated Film and Tapes***

The process predominantly comprises of gravure coating of aqueous solution of butyl acrylate polymer on the given substrate. The substrate passes through the coating head by the pulling force of the winder. The coated substrate passes through a tunnel with hot air circulation. Hot air is generated by contact with heat exchangers heated by hot thermic fluid It gets coated with the solution and dries by passing through a hot chamber. The coated material is wound on the winding station and is slitter on separate slitting machine

### ***Collaborations***

Except availing financial assistance from banks and others, we have not entered into any technical or financial agreement.

### ***Infrastructure Facilities***

#### ***Raw Materials***

The key raw materials of our Company are Plastic Granules, Paper, Films, Inks and adhesives, which we normally procure from various domestic and local suppliers. All the raw materials are easily available to us.

#### ***Utilities***

Our Company mainly requires the following utilities:

##### ***Power***

Our Company has adequate power load connection to carry out our present business operations. The power requirement for proposed expansion project is approx. 1400 - 1600Kw, permission for which will be received in due course. Our Company will also install a D.G. Set for stand by power supply.

##### ***Water***

Water is mainly used for chilling plant, which is required to maintain the temperature of machines to avoid overheating, for which we have our own Bore-well. Apart from this, our Company has also got water connection from local authority.

##### ***Fuel***

Our Company does not require fuel in the manufacturing process except for the proposed D.G. Set, which will be used in case of power shut down.



## Manpower

### Existing Arrangements

At present, our Company has 237 employees, out of which 183 employees are stationed at the existing three manufacturing units. The balance 54 employees are placed at our registered office and other locations. The detailed break-up of our employees is mentioned hereunder:

Sr. No.	Description	Registered Office and Other Locations	Factory	Total
1.	Management Cadre	17	06	23
2.	Officers	25	03	28
3.	Clerks/Supervisors	04	08	12
4.	Workers	08	166	174
		54	183	237

Our Company also engages contract labourers, which are hired from regular labour contractors.

### Additional Manpower Requirements for the Project

On implementation of expansion program, our Company will hire professionals and increase the workforce both at managerial and plant level accordingly, considering the increase in scope of work.

### Products / Services of our Company

Presently, our Company is manufacturing the following products:

- 3-Layer cast or blown Lamination Film – For Laminates
- Shrink Film – For General Packing
- 3 Layer cast Stretch Film
- Multi colored printed Laminates
- Extrusion Coated Paper
- 3 Ply Laminates
- Paper Tubes and cores
- Continuous Computer Stationery – With 4 Colour Printing
- TQPP liners and bags
- Multi colored offset printed folded cartons.

Further, by proposed expansion, our Company is inclined to manufacture the following products to add value addition in our existing product line:

- Poly olefin shrink film
- Flexo printed five and three layered barrier films
- Self adhesive tapes
- Soap Wrappers Tea Composites Liners etc.
- Solvent less / base lamination
- Printed Pouches
- PVC Film shrink Sleeves

### Past Production Figures for the Industry

The Packaging industry is highly fragmented and is dominated by large number of unorganized players. There are no published data available to our Company for past production figures, existing installed capacity, past trends and future prospects regarding exports, demand & supply forecasts.



### **Approach to Marketing and Proposed Marketing Set-up**

Our Company has a separate full-fledged Marketing Department to procure orders and contracts. The Marketing Department is headed by Managing Director, who is assisted by two Vice Presidents – Marketing for Primary and Secondary Packaging. The team is well experienced and is supported by subordinate staff.

The marketing strategy of our Company is a mix of various tools depending on various products and the objective for the particular product / mix. Our marketing strategy is a combination of direct marketing, using the existing distributor network, sales force and Internet. However personal selling and technical counseling still remains the best tool for our type of industry.

Our Company has also entered into Memorandum of Understanding with overseas agents like Amparo Overseas Fze, Dubai and P.G. Traders, Dhaka (Bangladesh) for marketing of our various products.

### **Export Obligations**

As part of the expansion project, our Company proposes to import Plant & Machineries aggregating to Rs. 20.49 Crores (excluding Customs Duty on Imported Machinery under EPCG Scheme) under the Indian government's Export Promotion Capital Goods (EPCG) Scheme, under which Plant & Machineries may be imported at a concessional customs duty rate of 5% against the normal total customs duties of 28% (approx.) plus additional 2% Educational Cess thereon. Under this EPCG Scheme, we should be able to save the total customs duties to the tune of Rs. 4.82 Crores (approx.), provided our Company is able to export 8 times of the total customs duties saved i.e., Rs. 38.54 Crores (approx.) in next eight years. Further, our Company imports duty free raw material, against which, we are obliged to export finished goods to the extent of 95% within 6 months from the date of import of the raw material.

Based on our Company's current exports, we expect to meet our export obligations in accordance with the EPCG license requirements.

### **Business Strategy**

#### ***Maintain and Expand Long-term Client Relationships with Large Clients***

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach.

Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous maintaining of the requirements of the customers. It helps understanding the basic requirement of the company and its market. It also forms basis of further expansion for the company as we are able to monitor a potential product/ market closely. Our existing clientele is an example of our long-term client relationships.

#### ***Multi-Product Relationship with Large Number of Clients***

Our multi-product portfolio would allow us create value for the brand by repeating it in various different packaging products. It also allows ascertaining the overall impact of packaging on the product. Various synergetic products and various manufacturing facilities make us an ideal work-shop for the product promotion and development people. Sourcing various products from one source helps to curb counterfeits and create an appeal in the selves.

Our Company shall be in a position to give our valued customers benefits of better solutions to their packaging needs under one roof. It would be a win-win situation for both company and the customers as the customers will enjoy one roof shopping and company will be able to sell variety of products to one customer.

Our multi-product portfolio allows us to sustain the cost of high level of services, which our Company aims to give to our clients. Sales revenue from any of our product supports us to maintain our technical/ commercial/ agent/ distributor in any particular area or for a particular client. Cost of marketing additional products is also negligible once any of our products is being sold to a specific customer.

#### ***Expansion of the Existing Capacity and Addition of New Products***

Our Company plans to expand existing capacity of three layered blown films and extrusion coating. It aims to add new products like five layered films, double bubble polyolefin shrink films, Wrappers, sleeves and various similar products targeting the same market segment.

#### ***Mix of Organic and Inorganic Models of Growth***

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





### ***Continue to Have Technocrats***

Our Company believes in having a strong technical team to support the existing products and develop newer products. Our Company believes that strong and right counseling is the key to our business. Our insight in the packaging field will be further strengthened by adding more people from packaging machinery industry, user industry, ink industry and basic substrate industry.

### ***Continue to Focus on Training and Motivating Our Work Force***

Our Company will strongly continue policy of training our work force with adequate product knowledge, market knowledge and above all the application of knowledge to the industry. Company shall always focus on narrowing the hierarchy for free and transparent two-way communication between management and employees for better exchange of ideas, views and opinions for maintaining good competitive work atmosphere at all levels. Our Company will adopt pull mechanism for motivating our employees by rewarding instead of push mechanism by penalizing the employees.

### **Future Prospects**

Our Company by the virtue of the experience of our promoters and amalgamation of their various firms has a good hold on the packaging industry. Precursors suggest that Packaging industry shall witness a promising growth in quantum and quality in the near future. Brand positioning, budgeted spending, growing negotiating power of distribution channels like supermarkets and malls, and overall growing aspirations of consumer will force companies to look for effective, different, economical and attractive packaging.

RMCL aims to be equipped with varied processing facilities, an authentic team of people and have deep penetration in the market. All the various processes will be independent profit making module when looked in isolation and will give a great synergetic touch in uniqueness of product and contribution towards the bottom line when seen in tandem.

In the secondary packaging, our Company is planning to manufacture poly olefin shrink films. This is a specialized film and gives more yields per kg of material and hence is economical in terms of yield and aesthetics. POF film is a complementary product to stretch film in which our Company has presence. Since, our Company plans to sell to the direct end users, our wide customer-base will become potential clients for our other products. Since POF will be a newer and technologically advance product in India, our Company will have leverage over our distributors to do business on own terms and conditions. With good market penetration and established distribution network, company hopes to command a leading position in the industry.

Our basis for buying a high end Central Impression flexo printing machine is to print highly transparent, glossy and sparkling film with good barrier properties produced in house on the cast film manufacturing machine. The uniqueness about Central Impression flexo printing machine is to print stretchable material with highest accuracy. This uniqueness gives freedom from using rigid substrates for the sake of aesthetics alone. These rigid substrates had generally been expensive and of higher densities giving lower yield. These printed films when laminated to appropriate blown lamination film gives great appearance, slightly softer feel and good barrier properties. These structures can be used in packing of salts, detergents, spices and various other products and can be packed using the same packing facilities as for conventional laminates.

Our Company is increasing capacity of manufacturing three layered films and is adding the facilities to produce five layered film. Surface printed three and five layered films are used for edible oil, ghee and milk packaging. They are also used for vacuum packing of cashews, thermoforming and other applications.

Our Company is manufacturing cast stretch film and is one of the economical suppliers in the country. Due to good market response, our Company is planning to increase manufacturing capacity. Both cast and blown processes are used in manufacturing of stretch films having their own merits and demerits. Our Company plans to buy a dedicated blown film machine to manufacture stretch films providing the company a leading edge over competitors. This machine will however be capable of producing conventional films also. Stretch film market is growing at an astonishing speed and company aims to have a bigger market share.

Company has existing facility to manufacture extrusion coated laminates. However this machine is capable of producing both cast films and extrusion coated laminates. Due to good market response, orders for both the types of products were in abundance and company is planning for a dedicated extrusion coating machine. Some of the existing attachments can also be utilized in the new machine. Existing experience of the products and relationship with prospectus clients would ease in the marketing. Contraceptive is a fast growing industry with complimentary products like mono cartons, RMCL aims to fetch a good market share.

### **Licensed & Installed Capacity and Capacity Utilisation:**

No licence is required under the Industries (Development & Regulation) Act; 1951, therefore the details of licensed and installed capacity are not applicable to us. However, we have filed the required Industrial Entrepreneurs' Memorandum (IEM) to the Government of India, Ministry of Commerce & Industry, Secretariat for Industrial Assistance and obtained the acknowledgement for the expansion project of manufacturing facilities for existing products and setting up of manufacturing facilities for new products.

## **Competitive Strengths**

### ***Optimum Balance of Secondary and Primary Packaging Materials***

Our Company has an optimum balance of packaging material having both primary and secondary nature. Products of secondary packaging are standard products and are comparatively easier to sell. However, contribution of these products is generally lower than products of primary nature. Whereas, to sell primary packaging material, one needs to be in close contact with the buyer and concentrated efforts are required. Our sales points for secondary packaging are also used for selling our primary packaging. This not only reduces our selling expenses but gives us an insider position in the potential customer company to understand their requirement and react accordingly.

### ***Investments in Manufacturing of Primary and Secondary Packaging Material of both High and Low Value Addition***

Primary and Secondary packaging materials of higher value addition are easier to sell and yield more profits due to lower competition. However, there is higher cost of investment on these types of products.. Low cost products take more efforts to sell and contribute less however the risk of high cost of investment is also minimized. High cost products and processes yield better contribution and are easier to sell due to lower competition but they generally have niche markets and have high cost of investment. Consumer prefers to buy lower value addition materials also from us once they develop business relations with us. These high and low cost products give a unique advantage to our Company of having almost risk free business.

### ***Deep Market Penetration***

By virtue of acquisition of existing running business of three partnership firms, our Company has inherited deep market penetration with a large clientele and wide geographical coverage. Our Company has also got presence in global market with existing clients in Russia, U.A.E., Africa and Bangladesh.

### ***Low Marketing Cost***

Our Company introduces new and related products only after thorough study of the subject matter and in close discussions with the potential as well as existing buyers. This reduces our marketing cost, as the same distribution and service channel is utilized to sell the new product.

### ***Strong Technical Team***

Our Company possesses strong technical team, which is led by our Managing Director & CEO, Mr. Mitesh Agrawal, who is a Bachelor of Engineering in Polymer. Mr. Mitesh Agrawal is also supported by qualified professionals like Mr. G.N. Shah, who has also worked with Indian Aluminium Co. Ltd. as President and Prof. D.D. Kale, Professor of Polymer Technology, University of Mumbai, who is an advisor to our Company.

### ***Cost Efficiency***

The policy of our Company is to produce the right product at the optimum cost translating into value for money pricing. Our Company has manufacturing facilities in Daman having sales tax exemptions, low electrical tariffs and proximity to two leading ports JNPT and Nava Sheva.

### ***Reliability***

The long-term relationships with our buyers are proof that our Company is a reliable manufacturer. Our buyers may be competitors to each other, but we maintain the confidentiality to their designs and specifications.

### ***Quality***

Our Company has always believed in one of the best qualities in processes and products. Our Company has been certified as ISO 9001:2000 from TUV Rheinland.

### ***Insurance***

Our Company has taken insurance policies from The Oriental Insurance Company Ltd. Our Company has insurance policies of the following nature:

1. Standard Fire & Special Perils Policy
2. Electronic Equipment Insurance
3. Machinery Breakdown Insurance
4. Marine Cargo Sea Cover Type A Open Policy



## Properties

Our registered office is located at Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Daman, where our Unit II is also situated. In addition to this, we also own our other existing manufacturing units i.e. Unit I (Survey No.51/3C, 54/1B and 54/2, Daman Industrial Estate, Kadaiya, Daman) & one part of Unit III (Survey No. 54/3A, 54/2D Daman Industrial Estate, Kadaiya, Daman). The other part of Unit III, constituting factory land & building, situated at Survey No. 51/2 & 51/2A is on lease against an interest free deposit of Rs. 40 Lacs from Mr. Abhishek Agrawal, one of our Promoters and Whole-time Director. We have also acquired land & factory building for Unit IV, which is situated at Survey No. 107/2,108/1 & 108/2, Daman Industrial Estate, Kadaiya, Daman.

We own several residential flats & a non-agricultural land in Daman and also own a residential flat in Vapi. Further, we have taken several residential flats on lease against an interest free deposit of Rs. 75 Lacs from Reliance Industrial Products, a partnership firm, wherein Mr. Anil J. Agrawal, one of our Promoters and Chairman (Non-Executive), is a partner.

We occupy one office premise in Mumbai against Nil consideration through a Memorandum of Understanding with M/s. Abhishek Packaging Industries, a partnership firm, wherein Mrs. Sulochanadevi Agrawal and Mrs. Vandana Agrawal are partners and both of them are relatives of our Promoters. Further, we have one rented office premise in Bangalore.

## Purchase of Property

As part of the proposed project cost, we have purchased the following properties:

Sr. No.	Description	Utilization	Name, Address & Occupation of Vendor	Total Cost (Rs. in Crores)	Nature of Possession
1	Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Daman	Factory Land & Building of Unit-II	Mrs. Sulochanadevi Agrawal, Radha Madhav Kunj, Dunetha, Daman, Business	0.16	Acquired Through Registered Sale Deed
2	Survey No. 54/3A, & 54/2D, Daman Industrial Estate, Kadaiya, Daman	Factory Land & Building of Unit-III	Mrs. Sulochanadevi Agrawal, Radha Madhav Kunj, Dunetha, Daman, Business	0.27	Acquired Through Registered Sale Deed
3	Survey No. 107/2,108/1 & 108/2, Daman Industrial Estate, Kadaiya, Daman	Factory Land & Building of Unit-IV	M/s. Daman Plastics, 507, 5th Floor, Embassy Centre, Nariman Point, Mumbai. Partnership Firm	1.12	Acquired Through Registered Sale Deed
			<b>TOTAL</b>	<b>1.55</b>	

## OUR HISTORY AND CERTAIN CORPORATE MATTERS

Our Company has been incorporated on 7th January 2005; with one of the objectives, of acquiring the entire existing running and profit making business of three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries. All the partners of these three firms are also subscribers to the Memorandum and Articles of Association of our Company. Further, except Mrs. Sulochanadevi Agrawal, all the partners of the firms are directors of our Company. The promoters of our Company are Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal.

Our Company obtained Certificate of Commencement of Business on 24th January 2005 and to initiate the acquisition process of three partnership firms, which were involved in manufacturing of synergetic and alternative products for packaging, but as separate entities; on 1st of February 2005, our Company entered into partnership with the said three firms as a partner for 10% in Profit & Loss along with the existing partners i.e. Mr. Mitesh Agrawal (60% share in Profit & Loss) and Mr. Kanubhai Patel (30% share in Profit & Loss) in Metro Poly Prints; Mr. Anil J. Agrawal (45% share in Profit & Loss) and Mrs. Sulochanadevi Agrawal (45% share in Profit & Loss) in Radha Madhav Industries and Mr. Anil J. Agrawal (45% share in Profit & Loss) and Mr. Abhishek Agrawal (45% share in Profit & Loss) in Mayura Industries.

On 5th March 2005, all other partners of the said partnership firms, except our Company, retired and our Company took over all the assets & liabilities at a book value aggregating to Rs. 710.07 Lacs and became sole owner of all the firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which were renamed as Unit I, Unit II and Unit III respectively.

To substantiate the above acquisition, a business valuation of erstwhile partnership firms as on date of dissolution i.e. 5th March 2005 was carried out by Khimji Kunverji & Co., Chartered Accountants vide their Valuation Memorandum dated 7th July 2005. As per the said Valuation Memorandum, the intrinsic value of the business of Mayura Industries is Rs.1162.60 Lacs; Metro Poly Prints is Rs. 195.48 lacs and Radha Madhav Industries is Rs. 190.15 Lacs giving a total value of Rs. 1548.23 Lacs of all the business of the firms taken together, against the acquisition cost of Rs. 710.07 Lacs, which in turn has resulted into an intrinsic benefit of Rs. 838.16 Lacs to our Company.

The brief profile of erstwhile partnership firms, which were acquired by our Company, is as under:

### **Metro Poly Prints**

Metro Poly Prints was originally formed by Mr. Ramavtar Bhoot and his relatives & associates in the year 1998 at Kadaiya, Daman; with the prime activity of manufacturing TQPP films and bags. There were three extruders and two side sealing machines in the firm and it was primarily catering to the textile market of Surat. The firm was geographically located amidst other units of Mr. Anil J. Agrawal, one of our Promoter & Chairman. In the year 2003, Mr. Bhoot approached Mr. Anil J. Agrawal to acquire his firm as Mr. Bhoot wanted to quit TQPP business, which the latter agreed due to the following reasons:

- Mr. Anil J. Agrawal himself wanted to install new facilities for cast film line
- The plant of Metro Poly Prints was situated in the same campus, where all other plants belonging to the family of Mr. Anil J. Agrawal are situated, thereby creating obstacles to day-to-day activities of other businesses of Mr. Anil J. Agrawal.

Accordingly, the partnership deed was reconstituted and Mr. Kanubhai Patel, a close ally of Mr. Anil J. Agrawal & Mr. Mitesh Agrawal, son of Mr. Anil J. Agrawal, became the partners of Metro Poly Prints in the ratio of 30% & 70% respectively.

Acquisition of the firm benefited in two ways, one by countering the competition as Metro Poly Prints was manufacturing the same products as Radha Madhav Industries, one of the partnership firms owned by Mr. Anil J. Agrawal & his wife Mrs. Sulochanadevi Agrawal; second by utilizing the land & building more efficiently, as the same was situated in the middle of existing campus owned by Mr. Anil J. Agrawal and his relatives & friends.

After acquisition of the partnership firm, the new management changed the product mix of the firm and introduced newer products like cast barrier film, used for overprinting and reverse printing, stretch films, thermoformable films and lamination films. The new management also installed a combination machine capable of doing co-ex extrusion coating and manufacturing cast barrier films in the existing building, thus utilizing the investment in land & building to its optimum level. Further, Beta gauge monitoring system and high capacity corona treater were also installed on the machine along with stringent quality control measures to ensure the quality of the products being manufactured. The new management also made specific provisions on the co-ex extrusion coating machine for handling aluminium foil of wider widths of more than a meter for extrusion lamination. The co-ex extrusion coating capability gave a unique cost advantage over the competitors.

Though, the new machines were installed in the year March 2004, still the firm inspite of high depreciation in the second financial year; posted a profit of Rs. 41.53 Lacs upto for about eleven months in the year 2004-2005. Metro Poly Prints had almost 275 clients in various industries like infrastructure, metal, cement, publication, inks, FMCG, merchant exporters and importers in various countries.



The brief Audited Financial Performance of Metro Poly Prints for last three years is as under:

(Rs. in Lacs)

Particulars	Balance Sheet as on		
	31.03.03	31.03.04	05.03.05*
<b>SOURCES OF FUNDS:</b>			
A) Partners' Capital A/c.	48.35	91.11	199.51
B) Loan Funds			
a) Secured Loans	28.84	170.01	284.35
b) Unsecured Loans	9.83	34.74	55.05
<b>Sub-total (B)</b>	38.67	204.74	339.40
<b>TOTAL</b>	<b>87.02</b>	<b>295.85</b>	<b>538.91</b>
<b>APPLICATION OF FUNDS:</b>			
A) FIXED ASSETS			
a) Gross Block	49.99	254.35	272.97
b) Depreciation	11.80	15.80	27.69
<b>Net Block</b>	<b>38.19</b>	<b>238.55</b>	<b>245.28</b>
B) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	29.53	5.15	79.76
b) Sundry debtors	12.11	9.95	228.28
c) Cash & Bank Balance	1.58	0.30	0.18
d) Loans & advances	21.56	45.38	81.66
<b>Sub-total (B)</b>	64.77	60.78	389.88
C) CURRENT LIABILITIES			
Sundry Creditors	15.94	3.47	96.26
<b>Net Current Assets (B) – (C)</b>	<b>48.83</b>	<b>57.30</b>	<b>293.63</b>
<b>TOTAL</b>	<b>87.02</b>	<b>295.85</b>	<b>538.91</b>

(Rs. in Lacs)

Particulars	Profit & Loss A/c. as on		
	31.03.03	31.03.04	05.03.05*
<b>INCOME</b>			
a) Sales	315.58	175.90	724.89
b) Other Income		0.75	14.60
<b>TOTAL</b>	<b>315.58</b>	<b>176.65</b>	<b>739.49</b>
<b>LESS :</b>			
<b>EXPENDITURE</b>			
a) Raw Material Consumed	279.95	157.37	554.04
b) Expenditure on Employees	6.15	3.78	17.44
c) Manufacturing expenses	12.45	10.31	65.74
d) General Sales & Admn. expenses	10.57	4.41	23.25
e) Interest & Other Financial exp	3.52	2.81	25.61
f) Depreciation	3.98	4.01	11.89
	<b>316.63</b>	<b>182.69</b>	<b>697.96</b>
<b>NET PROFIT BEFORE TAX</b>	<b>(1.05)</b>	<b>(6.04)</b>	<b>41.53</b>
<b>INCOME TAX</b>			
<b>NET PROFIT AFTER TAX</b>	<b>(1.05)</b>	<b>(6.04)</b>	<b>41.53</b>

\*Note: The accounts were made up to 5th March 2005, as the firm was dissolved on 5th March 2005.

**Radha Madhav Industries:**

Radha Madhav Industries was formed on 01-11-1999 by Mr. Anil J. Agrawal and his wife Mrs. Sulochanadevi Agrawal, being a partnership firm. Radha Madhav Industries had manufacturing facilities to produce paper tubes, cores, computer stationary and TQPP films. It had two number of web offset printing presses, winders for spiral winding of paper cores and tubes and extruders to produce TQPP films.

Radha Madhav Industries was involved in manufacturing of paper cores, cones, and tubes for POY, DTY and textile, multicolor printed stationary and polypropylene bags. Radha Madhav had three divisions, viz. continuous computer stationary printing, spiral winding paper tube and TQPP division.

**Continuous Computer Stationary Printing Division**

In 1999, there was only one four-color offset printing machine, one slitting machine, one collater and one plate-exposing machine. Subsequently, with the organic growth, in the year 2001, the firm purchased one more printing machine and balancing equipments. This division of the firm was capable of printing and collating plain and carbon less paper.

**Spiral Winding Paper Tube Division**

This division started well back in 2001, with primitive machines to produce paper cores and tubes for lesser challenging applications like DTY. In 2003, firm upgraded its technology to produce paper tubes of higher quality for challenging applications like POY.

**TQPP Division**

This division was also set-up in the year 2001 to cater the textile market. Division had one extruder and side sealing machine. Though, the capacity was relatively limited, still division used to manufacture value added products and was profitable inspite of higher overheads. Same customers of other units or firms were catered for their requirements whereby reducing the marketing and logistical costs.

The firm was initially serving to only local customers, but from the year 2001 onwards, the firm started to cater Public Sector Undertakings and other reputed corporates. Radha Madhav Industries had almost 430 clients spread in sectors like PSUs, FMCG, Banks, institutions, textile and garments, Electricity boards, Pharmaceuticals, and various industries.

The brief Audited Financial Performance of Radha Madhav Industries for last three years is as under:

(Rs. in Lacs)

Particulars	Balance Sheet as on		
	31.03.03	31.03.04	05.03.05*
<b>SOURCES OF FUNDS</b>			
A) Partners' Capital A/c.	156.30	174.31	181.49
B) Loan Funds			
a) Secured Loans	74.72	92.39	107.39
b) Unsecured Loans	9.09	5.54	1.88
<b>Sub-total (B)</b>	83.81	97.93	109.27
<b>TOTAL</b>	<b>240.11</b>	<b>272.24</b>	<b>290.76</b>
<b>APPLICATION OF FUNDS</b>			
A) FIXED ASSETS			
a) Gross Block	75.82	88.23	111.41
b) Depreciation	28.35	41.14	53.91
<b>Net Block</b>	<b>Sub-total (A)</b>	47.47	47.08
B) INVESTMENTS	0.50		
C) CURRENT ASSETS. LOANS & ADVANCES			
a) Inventories	39.72	56.80	55.19
b) Sundry debtors	147.93	248.49	261.38
c) Cash & Bank Balance	0.27	1.35	0.16
d) Loans & advances	67.45	55.14	87.91
<b>Sub-total (C)</b>	255.36	361.77	404.65
D) CURRENT LIABILITIES			
a) Sundry Creditors	63.23	136.62	168.33
b) Provision for tax			3.05
<b>Sub-total (D)</b>	63.23	136.62	171.39
<b>Net Current Assets (C) – (D)</b>	192.14	225.15	233.26
<b>TOTAL</b>	<b>240.11</b>	<b>272.24</b>	<b>290.76</b>





(Rs. in Lacs)

Particulars	Profit & Loss Account as on		
	31.03.03	31.03.04	05.03.05*
<b>INCOME</b>			
a) Sales	639.59	900.78	783.19
b) Other Income	0.09	7.58	0.39
<b>TOTAL</b>	<b>639.68</b>	<b>908.35</b>	<b>783.58</b>
<b>EXPENDITURE</b>			
a) Raw Material Consumed	480.69	694.48	628.51
b) Expenditure on Employees	29.40	47.84	44.51
c) Manufacturing Expenses	44.07	36.06	34.24
d) General Sales & Admn. Expenses	38.62	50.22	41.11
e) Interest & Other Financial Expenses	11.84	10.31	11.34
f) Depreciation	13.43	12.80	12.76
<b>TOTAL</b>	<b>618.04</b>	<b>851.70</b>	<b>772.47</b>
<b>NET PROFIT BEFORE TAX</b>	<b>21.65</b>	<b>56.65</b>	<b>11.11</b>
<b>INCOME TAX</b>			<b>3.05</b>
<b>NETPROFIT AFTER TAX</b>	<b>21.65</b>	<b>56.65</b>	<b>8.06</b>

\*Note: The accounts were made up to 5th March 2005 as the firm was dissolved on 5th March 2005

#### Mayura Industries

Mayura Industries, an ISO certified firm, was formed on 01.11.1999 by Mr. Anil J. Agrawal and his son Mr. Abhishek Agrawal. As, Mr. Anil J. Agrawal was manufacturing mono layered films in his other firm called Reliance Industrial Products, he wanted to invest in better technology with a higher profitability to diversify his business and he started to manufacture three layered films and allied products in Mayura Industries.

Mayura Industries grew organically and the firm multiplied its production capacity from one to four three-layered machines, which were capable of producing films from 18 micron to 200 microns. Mayura Industries was involved in manufacturing of barrier multilayer blown films used in packing liquids, food and for lamination with other substrates like polyester and BOPP. This firm was catering to converting industry. The firm had also exported lamination films for challenging applications in adverse climate conditions like that of Russia through merchant exporter.

In the year 2004, Mayura Industries acquired P&P Containers Pvt. Ltd., a company used to be known for its quality folded cartons, through Economic Development Corporation (EDC) of Goa. This acquisition gave Mayura Industries capabilities to produce printed folded cartons. These new products were synergetic in nature with the firm's existing line of business. After the acquisition, the firm installed six color offset printing machines of Planeta, Germany; Automatic Punching Machine of Bobst, Switzerland; Gluing Machine of Vega, Germany. These machines provided the firm capabilities to produce and supply quality folded cartons to one of the leading users in India and abroad.

Mayura Industries had almost 100 clients spread in sectors like Pharmaceuticals, Dairy Products, etc.

The brief Audited Financial Performance of Mayura Industries for last three years is as under:

(Rs. in Lacs)

Particulars	Balance Sheet as on		
	31.03.03	31.03.04	05.03.05*
<b>SOURCES OF FUNDS</b>			
A) Partners' Capital A/c.	160.06	215.76	329.07
B) Loan Funds			
a) Secured Loans	111.71	173.31	382.35
b) Unsecured Loans	145.98	55.03	7.83
<b>Sub-total (B)</b>	<b>257.69</b>	<b>228.35</b>	<b>390.18</b>
<b>TOTAL</b>	<b>417.76</b>	<b>444.11</b>	<b>719.25</b>



**RADHA MADHAV CORPORATION LIMITED**

Particulars	Balance Sheet as on		
	31.03.03	31.03.04	05.03.05*
<b>APPLICATION OF FUNDS</b>			
A) FIXED ASSETS.			
a) Gross Block	132.17	175.21	194.15
b) Depreciation	48.95	75.17	101.13
c) Net Block	83.22	100.04	93.02
d) Capital Work in Progress			107.02
<b>Sub-total (A)</b>	83.22	100.04	200.04
B) INVESTMENTS.	0.50		
C) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	76.84	163.51	89.01
b) Sundry Debtors	199.64	269.90	262.98
c) Cash & Bank Balance	0.48	1.15	11.59
d) Loans & Advances	101.73	77.99	231.85
<b>Sub-total (C)</b>	378.69	512.55	595.42
D) CURRENT LIABILITIES			
Sundry Creditors	44.65	168.48	76.21
<b>Net Current Assets (C) – (D)</b>	334.04	344.07	519.21
<b>TOTAL</b>	<b>417.76</b>	<b>444.11</b>	<b>719.25</b>

(Rs. in Lacs)

Particulars	Profit & Loss Account as on		
	31.03.03	31.03.04	05.03.05*
<b>INCOME</b>			
a) Sales	1035.62	1213.66	1864.96
b) Labour Job Received	1.50	0.81	
	1037.12	1214.47	1864.96
c) Other Income	3.07	2.50	6.59
<b>TOTAL</b>	<b>1040.19</b>	<b>1216.96</b>	<b>1871.55</b>
<b>EXPENDITURE</b>			
=	788.05	94.41	1489.71
b) Expenditure on Employees	10.70	11.71	19.05
c) Manufacturing expenses	45.61	33.06	52.40
d) General Sales & Admn. expenses	34.91	50.08	28.59
e) Interest & Other Financial exp	18.82	19.25	28.15
f) Depreciation	27.20	26.22	25.96
	<b>925.30</b>	<b>234.72</b>	<b>1643.87</b>
<b>NET PROFIT BEFORE TAX</b>	<b>114.89</b>	<b>982.24</b>	<b>227.68</b>
<b>INCOME TAX</b>			
<b>NET PROFIT AFTER TAX</b>	<b>114.89</b>	<b>982.24</b>	<b>227.68</b>

\*Note: The accounts were made up to 5th March 2005 as the firm was dissolved on 5th March 2005



**Brief Financial Performance of three Erstwhile Partnership Firms at the time of Dissolution (for the period from 01.04.05 till 05.03.05)**

Rs. in Lacs

Particulars	Metro Poly Prints	Radha Madhav Industries	Mayura Industries
Sales & Other Income	739.49	783.58	1,871.55
Profit After Tax	41.53	8.05	227.68
Fixed Assets (including Capital Work in Progress)	245.28	57.50	200.04
Net Current Assets	293.63	233.26	519.21
Loan Funds	339.40	109.27	390.18
Networth	199.51	181.49	329.07

**Important Events in our Company**

Date	Event
07.01.05	Incorporation
24.01.05	Certificate for Commencement of Business
01.02.05	Entered into Partnership with three firms
05.03.05	Dissolution of Partnership Firms and our Company became sole owner of the businesses carried out by three partnership firms
20.06.05	ISO 9001:2000 Certification from TUV Rheinland

**Registered Office of our Company**

We own our existing registered office, for which a registered sale deed dated February 01, 2005; has been signed between our Company and Mrs. Sulochanadevi Agrawal. Further, there has been no change in the registered office of our Company.

**Changes in the Memorandum of Association of Our Company**

Since Incorporation of our Company, the following changes have been incorporated in the Memorandum of Association, after approval of the Members:

Particulars	Date of the Meeting	Type of Meeting
Increase in Authorised Capital	05.03.2005	EGM

**Past Working Results**

For details, please refer section titled "Auditors' Report" beginning on page 79 of this Prospectus.

**Main Objects**

The main objects of our Company as given in our Memorandum of Association are reproduced below:

- To carry on the business as manufacturers, dealers, exporters, importers of all kinds and classes and commission agents of Packaging mediums, Containers, Bags and Articles used in packing, made out of Paper, Plastic, Rubber, Jute, Cloth, Metal or combination of these including Resins, Polyethylene and synthetic chemicals and other suitable materials and whether required for industrial, commercial, household defense or any other purpose.
- To purchase, takeover and/or acquire the entire existing running business undertaking, carried on by,
  - Mr. Mitesh Anil Agrawal
  - Mr. Kanubhai Manilal Patel
 as partners in partnership firm in the name and style of M/s. 'Metro Poly Prints', manufacturers of Poly film, tubings, bags, films, sheets printed & unprinted and box strapping.
- To purchase, takeover and/or acquire the entire existing running business undertaking, carried on by,
  - Mr. Anil Jayram Agrawal
  - Smt. Sulochanadevi Anil Agrawal
 as partners in partnership firm in the name and style of M/s. 'Radha Madhav Industries', manufacturers of Plastic bags, films and sheets, corrugated boxes, paper tubes and computer stationery

4. To purchase, takeover and/or acquire the entire existing running business undertaking, carried on by,
- 1) Mr. Anil Jayram Agrawal
  - 2) Mr. Abhishek Anil Agrawal
- as partners in partnership firm in the name and style of M/s. '*Mayura Industries*', manufacturers of Blow moulding articles, injection moulding articles, Plastic bags, films and sheets.

**Subsidiaries of Radha Madhav Corporation Limited**

Our Company doesn't have any subsidiaries.

**Shareholders' Agreement**

There is no Shareholders' Agreement existing as on date.

**Other Agreements**

Except as otherwise stated in this Prospectus there are no agreements entered into by our Company other than the contracts / agreements entered into in the ordinary course of the business carried on or intended to be carried on by our Company.

**Financial / Strategic Partners**

Presently, our Company does not have any financial / strategic partners.



## OUR MANAGEMENT

Our Company is a professionally managed organization. Our Company functions under the control of a Board consisting of professional Directors. The day-to-day matters are looked after by qualified key personnel, under the supervision of Managing Director and Whole-time Director.

### Board of Directors

Name, Age, Designation, Address & Occupation	Other Directorships
<b>Mr. Anil J. Agrawal (57 years)</b> Chairman Radha Madhav Kunj, College Road, Daman. Industrialist	NIL
<b>Mr. Mitesh Agrawal (27 years)</b> Managing Director, Radha Madhav Kunj, College Road, Daman. Industrialist	NIL
<b>Mr. Abhishek Agrawal (22 years)</b> Whole-time Director, Radha Madhav Kunj, College Road, Daman Industrialist	NIL
<b>Mr. Kanubhai Patel (48 years)</b> Director 17, Ambica Cooperative Housing Society, Near Gunjan Cinema, G.I.D.C., Vapi Industrialist	Abias Exports Pvt. Ltd.
<b>Mr. Binodkumar Paliwal (51 years)</b> Director 6 – A Brijvatika Apartment, Brijwasi Estate, Behind Gokul Row House, Parle Point, Surat. Industrialist	1. Sudha Dyeing & Printing Mills Pvt. Ltd. 2. Suprabhat Prints Pvt. Ltd.
<b>Mr. Ramesh Bhandari (60 years)</b> Director Sai Prasad, Sai Kripa Society, Daman. Industrialist	NIL

### Brief Profile of our Board of Directors

The brief profile of our Chairman, Managing Director and Executive Director is mentioned under sub-heading “Brief Profile of our Chairman, Managing Director and Executive Director” appearing on page 23 of this Prospectus.

The brief profile of other members of the Board of Directors is mentioned hereunder:

#### **Mr. Kanubhai Patel**

Mr. Kanubhai Patel, aged 48 years, is an Automobile Engineer by qualification. After completing his studies, he started his own business of steel trading in the name of Mamta Steel and Mehasana Steel Suppliers. He was also partner in the Metro Poly Prints, the firm which has been acquired by our Company. He became the director of our Company w.e.f. 05.04.2005. He is also director in Abias Exports Pvt. Ltd.

#### **Mr. BinodKumar Paliwal**

Mr. BinodKumar Paliwal, aged 52 years, is a Science graduate residing at Surat. He has been associated with various social and trade activities including President of Rotary Club of Sachin, Surat and President, Sachin Textile Process Industries Welfare Association, G.I.D.C., Sachin, Surat. He became director of our Company w.e.f. 05.04.2005. He is also director in two other Companies namely, Sudha Dyeing & Printing Mills Pvt. Ltd and Suprabhat Prints Pvt. Ltd.

**Mr. Ramesh Bhandari**

Mr. Ramesh Bhandari, aged 60 years, is a retired bank employee of The Goa State Cooperative Bank Ltd. He is having about 35 years of experience in banking. At the time of retirement in the year 2002-03, he was Regional Manager of the bank for Daman & Diu region. He became director of our Company w.e.f. 05.04.2005.

**Details of Borrowing Powers**

The Board of Directors of our Company has power to borrow upto Rs. 100 Crores as per the Members' Resolution passed in the Extra Ordinary General Meeting of our Company held on March 05, 2005.

**Resolution under section 293 (1) (d)**

"Resolved that pursuant to the provisions of section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the articles of association of the company, the consent of the members be and is hereby accorded to the Board of Directors of the company to borrow monies by way of loans, debentures, or otherwise from time to time for the purpose of the business of the Company upon such terms and conditions and with or without mortgaging or charging undertakings, assets and properties, whether movable or immovable, stock-in-trade, work-in-process, debtors, loans and advances or any part thereof of the Company as security, as the Board of Directors may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of paid up capital of the and free reserves (i.e. reserves not set apart for any specific purpose) of the Company PROVIDED however that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees One Hundred Crore) over and above the aggregate of the paid up capital and free reserves of the Company and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business from time to time."

**Compensation of Managing Director and Executive Director**

At present, we don't pay any remuneration to our Managing Director and Executive Director.

**Corporate Governance**

Our Company has already taken necessary steps to implement the provisions of the Corporate Governance. The constitution of our Board of Directors is in compliance with the said provisions and our Company has the necessary committees in place in compliance with the said provisions:

- a. Audit Committee
- b. Remuneration Committee
- c. Shareholders Grievance Committee

**Composition of Board of Directors**

Sr. No.	Name of the Director	Status
1	Mr. Anil J. Agrawal	Chairman (Non-Executive)
2	Mr. Mitesh Agrawal	Managing Director
3	Mr. Abhishek Agrawal	Whole-time Director
4	Mr. Kanubhai Patel	Director (Non Executive)
5	Mr. Binodkumar Paliwal	Director (Independent & Non Executive)
6	Mr. Ramesh Bhandari	Director (Independent & Non Executive)

**Audit Committee**

The terms of reference of Audit Committee complies with the requirements of section 292A of Companies Act Committee consists of non-executive as well as Independent Directors. All members of the Audit Committee are financially literate.

The Audit Committee provides directions to and reviews functions of the Audit Department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as are required under section 292A of Companies Act.



### Composition of Audit Committee

Sr. No.	Name of the Member	Designation	Nature of Directorship
1	Mr. Ramesh Bhandari	Chairman	Independent (Non Executive)
2	Mr. Binodkumar Paliwal	Member	Independent (Non Executive)
3	Mr. Kanubhai Patel	Member	Non Executive

### Shareholders' / Investors' Grievances Committee

Our Company has a Shareholders' / Investors' Grievance Committee to redress the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialisation of shares, non-receipt of declared dividend etc.

### Composition of Shareholders' / Investors Grievances Committee

Sr. No.	Name of the Member	Designation	Nature of Directorship
1	Mr. Ramesh Bhandari	Chairman	Independent (Non Executive)
2	Mr. Binodkumar Paliwal	Member	Independent (Non Executive)
3	Mr. Kanubhai Patel	Member	Non Executive

### Remuneration Committee

The Remuneration Committee determines our Company's policy on specific packages for Executive Directors.

### Composition of Remuneration Committee

Sr. No.	Name of the Member	Designation	Nature of Directorship
1	Mr. Binodkumar Paliwal	Chairman	Independent (Non Executive)
2	Mr. Ramesh Bhandari	Member	Independent (Non Executive)
3	Mr. Kanubhai Patel	Member	Non Executive

### Shareholding of Directors

Name of the Director	No. of Shares Held
Mr. Anil J. Agrawal	13,10,364
Mr. Mitesh Agrawal	21,28,035
Mr. Abhishek Agrawal	21,33,586
Mr. Kanubhai Patel	1,58,692
Mr. Binodkumar Paliwal	2,500
Mr. Ramesh Bhandari	10,000

### Interest of our Directors

Our Company is promoted by Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal, who are also our directors. In addition to the "Related Party Transactions" beginning on page 84 of this Prospectus, all our directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

Further, all our directors may also be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies and firms, in which they are interested as Directors, Members, partners and or trustees. All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our existing Managing Director and Executive Director may be interested to the extent of remuneration payable to them, if any, for services rendered to our Company.

Our Company has taken a part of Unit III, constituting factory land & building, situated at Survey No. 51/2 and 51/2A on lease against an interest free deposit of Rs. 40 Lacs and monthly lease rent of Rs.1000 per month from Mr. Abhishek Agrawal, one of our Promoters. We have also taken several residential flats on lease against an interest free deposit of Rs. 75 Lacs and monthly lease rent of Rs.1000 from Reliance Industrial Products, a partnership firm, wherein Mr. Anil J. Agrawal, one of our Promoters, is a partner.

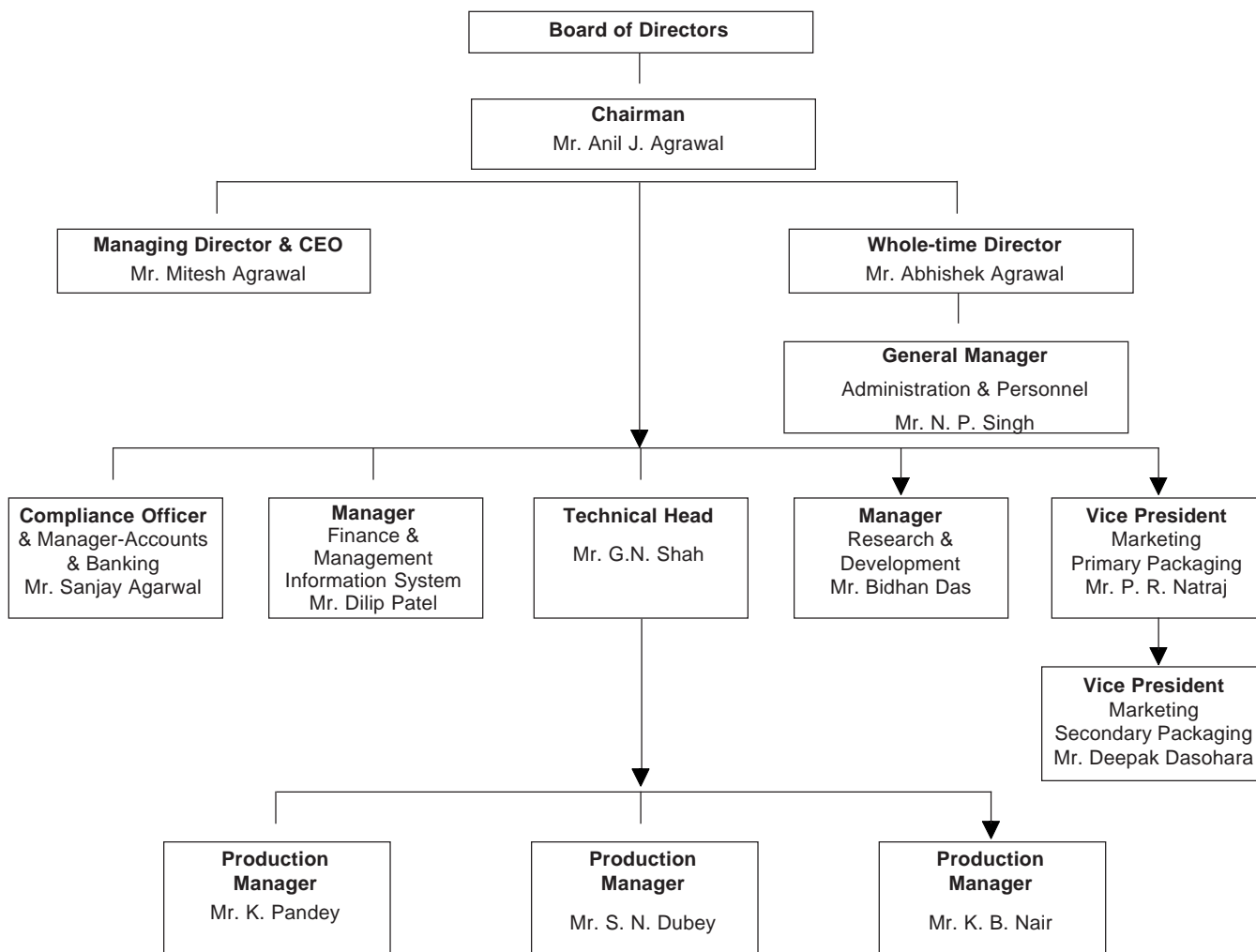
Our Company has purchased Factory Land & Building situated at Survey No. 50/9A and Survey No. 54/3A & 54/2D, Daman Industrial Estate, Kadaiya, Daman from Mrs. Sulochanadevi Agrawal, wife of the Mr. Anil J. Agrawal, one of our Promoters, at a cost of Rs. 25.00 Lacs and Rs. 15.00 Lacs respectively. Further, our Company has purchased a land situated at Survey No. 292/1, 292/2 & 293/1, Village Marwad, Daman from Abias Exports (P) Ltd., wherein Mrs. Sulochanadevi Agrawal (wife of Mr. Anil J. Agrawal, one of our Directors) and Mr. Kanubhai Patel, one of our Directors, are directors; against a payment of Rs. 58.00 Lacs.

Except as stated hereinabove and as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this Prospectus in which the our directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

**Changes in Directors during Last Three Years**

Name	Date of Appointment
Mr. Anil J. Agrawal	Since Incorporation
Mr. Mitesh Agrawal	Since Incorporation
Mr. Abhishek Agrawal	Since Incorporation
Mr. Kanubhai M. Patel	05.04.05
Mr. Binodkumar Paliwal	05.04.05
Mr. Ramesh Bhandari	05.04.05

**ORGANISATIONAL STRUCTURE**







### Details Regarding Key Management Personnel

Sr. No.	Name	Designation	Age (Yrs.)	Qualification	Date of Joining	Experience (Yrs.)	Functional Responsibility	Previously Employed	Compensation Paid during 2004-05 (Rs. in Lacs)
1	Mr. Mitesh Agrawal	Managing Director & CEO	27	BE (MIT) Pune, ADMS, Apex Institute, MBA foundation-ICFAI, MSC International MKTG. Oxford, U.K.	01.03.05	5	Overall operations of the Company	Worked as Managing Partner in the erstwhile partnership firm, Metro Poly Prints, acquired by our Company	Nil
2	Mr. Abhishek Agrawal	Whole-time director	23	BCS, from Daekin University, Australia.	01.03.05	1	Marketing	Worked as Managing Partner in the erstwhile partnership firm, Mayura Industries, acquired by our Company	Nil
3	Mr. P.R. Natraj	Vice President – Marketing (Primary Packaging)	38	B.A. (Economics) and MBA – Marketing	06.03.05	17	Development of new products and markets, credit control and heads product and market research team	Mayura Industries (erstwhile partnership firm, acquired by our Company)	0.83
4	Mr. Deepak Dashora	Vice President – Marketing (Secondary Packaging)	36	B.E. (Industrial Electronics)	25.06.05	11	Market Development of New Products in Secondary Packaging	Usher Technologies Pvt. Ltd.	N.A.
5	Mr. G.N. Shah	Head – Technical	64	B.E. (Electrical)	02.05.05	44	Overall Production and development of new products	Independent Consultant	N.A.
6	Mr. Bidhan Das	Manager – Research & Development	29	B.Sc. (Physics) and Post Graduation in Packaging Technology from Indian Institute of Packaging Mumbai. Member of Institute of Packaging Professionals, USA	01.04.05	6	Quality Control and heads Research & Development Department	Mars Packaging Industries	N.A.

Sr. No.	Name	Designation	Age (Yrs.)	Qualification	Date of Joining	Experience (Yrs.)	Functional Responsibility	Previously Employed	Compensation Paid during 2004-05 (Rs. in Lacs)
7	Mr. Sanjay B. Agarwal	Manager – Accounts & Banking	32	Commerce Graduate	01.04.05	8	Accounts, Taxation and Banking	Reliance Industrial Products	N.A.
8	Mr. Dilip Patel	Manager – Finance & MIS	25	M.B.A. (Finance)	07.03.05	2	Finance function of the company, Secretarial Work, Costing, budgeting, and credit control	G.B. Laddha & Co. (C.A.), Vapi	0.10
9	Mr. N.P. Singh	General Manager – Administration and Personnel	34	L.L.B., PG Diploma in Public Administration	06.03.05	10	Recruitment and training, Labour Laws and legal compliance.	Metro Poly Prints (erstwhile partnership firm, acquired by our Company)	0.08

#### Brief Profile of our Key Managerial Personnel

The brief profile of Mr. Mitesh Agrawal and Mr. Abhishek Agrawal is mentioned under sub-heading “Brief Profile of our Chairman, Managing Director and Executive Director” appearing on page 23 of this Prospectus.

The brief profile of other key managerial personnel is mentioned hereunder:

**Mr. P.R. Natraj**, Vice President – Marketing (Primary Packaging), aged 38 years, is B.A. in Economics and Master of Business Administration in Marketing from Indira Gandhi National Open University. He mainly takes care of development of new products and markets, credit control and heads product and market research team. He is having an overall experience of about 17 years in marketing and has worked with corporates like Indian Shaving Products Ltd. (Gillette), Sharp Industries Ltd. and Paharpur Industries Ltd.

**Mr. Deepak Dashora**, Vice President – Marketing (Secondary Packaging), aged 36 years, is Bachelor of Engineering in Industrial Electronics from Bharati Vidyapeeth’s College of Engineering, Pune. He is responsible for market development of new products in secondary packaging, especially polyolefin shrink films, both in India and abroad. He has wide experience in the marketing and development of packaging materials and packaging machineries. He has worked with corporates like Parasrampuria Synthetics, Rajasthan Petro Synthetics Ltd., Clear Pack Singapore Pte. Ltd. and Usher Technologies Pvt. Ltd.

**Mr. G.N. Shah**, Head – Technical, aged 64 years, is Bachelor of Engineering in Electrical. He is heading our Production Department and is involved in developing new products and design. Further, he shall be responsible for entire production and development of new product mix forming part of expansion. He has vast experience of more than four decades in the field of production and commissioning of projects. He has worked with corporates like International General Electric Co. (I) Pvt. Ltd. (G.E., USA), Indian Aluminium Co. Ltd., Mardia Steel Ltd. and Hindalco Ltd.

**Mr. Bidhan Das**, Manager – Research & Development, aged 29 years, has done his Bachelor of Science in Physics and Post Graduate in Packaging Technology from Indian Institute of Packaging Mumbai. He takes care of Quality Control and heads Research & Development of our Company. He has got 6 years of experience in packaging industry. He is also member of Institute of Packaging Professionals, USA. He has worked with corporates like Sharp Industries Ltd., Vishnu Vijay Packers Ltd. and Jhaveri Flexi Laminate Pvt. Ltd.

**Mr. Sanjay B. Agarwal**, Manager – Accounts & Banking, aged 32 years, is a Commerce Graduate having experience of about 8 years. He takes care of Accounts, Taxation and Banking for our Company. He has been experienced in Accounts, Finance, Income Tax and Sales Tax and has exposure to the field of banking, preparation of project report and complying with the statutory requirements. He has also worked with M/s. H.R. Dhandhanania & Co. (Chartered Accountants) at Mumbai for two years apart from Articleship of three years.

**Mr. Dilip Patel**, Manger – Finance & MIS, aged 25 years, is Master of Business Administration in Finance. He takes care of Finance functions of our Company including costing, budgeting, banking, credit control and Management Information System (MIS). He has also worked with M/s. G.B Laddha & Co. (Chartered Accountants) at Vapi for 1 year.



**Mr. N. P. Singh**, General Manager – Administration and Personnel, aged 34 years, is Bachelor of Legislative Law from Bihar Institute Law College. He is also Post Graduate Diploma in Public Administration from Bhartiya Shiksha Institute, Gwalior (M.P.). He takes care of recruitment and training, Labour Laws and legal compliance for our Company. He is having about 10 years of experience. He has also worked as with Hindalco Industries Ltd. for about eight years.

All the key managerial personnel of our Company are in permanent employment of the Company.

#### Shareholding of our Key Managerial Personnel

Name of the Key Managerial Personnel	No. of Equity Shares Held
Mr. Mitesh Agrawal	21,28,035
Mr. Abhishek Agrawal	21,33,586

#### Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no fixed or certain bonus or profit sharing plan for the Key Managerial Personnel.

#### Changes in Key Managerial Personnel during last 3 years:

Sr. No.	Name	Designation	Date of Joining	Remarks
1	Mr. Mitesh Agrawal	Managing Director	01.03.05	New Appointment (Partner in Erstwhile Metro Poly Prints)
2	Mr. Abhishek Agrawal	Whole-time director	01.03.05	New Appointment (Partner in Erstwhile Mayura Industries)
3	Mr. N.P. Singh	General Manager Administration & Personnel	06.03.05	Transferred from Erstwhile Metro Poly Prints
4	Mr. P.R. Natraj	Vice President - Marketing (Primary Packaging)	06.03.05	Transferred from Erstwhile Mayura Industries
5	Mr. Dilip Patel	Manager Finance & MIS	07.03.05	New Appointment
6	Mr. Sanjay Agarwal	Manager Accounts & Banking	01.04.05	New Appointment
7	Mr. Bidhan Das	Manager Research & Development	01.04.05	New Appointment
8	Mr. G.N. Shah	Technical Head	02.05.05	New Appointment
9	Mr. Deepak Dashora	Vice President – Marketing (Secondary Packaging)	25.06.05	New Appointment

#### Employees

Currently, our Company has employed about 237 employees.

#### Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

Till date, our Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

#### Payment or Benefit to Officers of our Company

Except the payment of salaries and perquisites, our Company makes ex-gratia payments to our officers as and when deem fit.

## OUR PROMOTERS



**Mr. Anil J. Agrawal, Chairman**

**Voter ID No.: PJG772913**

**Driving License No.: Not Applied**

Mr. Anil J. Agrawal, aged 57 years, one of our main Promoters, originally hails from Bhilwara, Rajasthan. His family was in the trading business of textiles. He shifted his business base to the field of Plastic based products. He came to Daman and started a plastic based industry titled as Reliance Industrial Products in the year 1994 for manufacturing plastic based packing materials meant for industrial purpose. He has about 11 years of experience in plastic industry. Later on, Mr. Anil J. Agrawal extended the product line by starting up a series of various manufacturing units catering to the demand of various packaging material made up of plastic and paper. These products were totally based on paper and plastics and constituted materials of both primary and secondary packaging nature. His elder son, Mitesh Agrawal also joined the family business in 1999 and together they started manufacturing different technology driven products. Mr. Anil J.

Agrawal has been able to succeed in midst of recession and other adversities. He has been associated with our Company since inception and has been actively managing the affairs of our Company.

Mr. Anil J. Agrawal has given the current standing to our Company. He was also elected as President of Daman Industries Association for three consecutive terms.



**Mr. Mitesh Agrawal, Managing Director & CEO**

**Voter ID No.: PJG796570**

**Driving License No.: DMN-1532**

Mr. Mitesh Agrawal, aged 27 years, is elder son of Mr. Anil J. Agrawal, our Chairman (Non-Executive); and is actively involved in the business for last five years. By qualification, he is a Polymer Engineer from Maharashtra Institute of Technology (MIT), Pune. He did his MBA Foundation Course from The Institute of Chartered Financial Analysts of India and further completed his Advance Diploma in Sales and Marketing from Apex Institute, Pune, which is affiliated to Tack Training International, U.K. He further did Master of Science (M.Sc.) in International Management from Oxford Brookes University, U.K. He has also studied the British Economy at Rewley House, University of Oxford, U.K.

Presently, Mr. Mitesh Agrawal is also Chairman of Indian Plastic Institute for Daman-Vapi-Silvassa Sub-chapter.



**Mr. Abhishek Agrawal, Whole-time Director**

**Voter ID No.: Not Allotted**

**Driving License No.: DMN-3368**

Mr. Abhishek Agrawal, aged 22 years, is the younger son of Mr. Anil J. Agrawal, our Chairman (Non-Executive). He is Bachelor of Computing (Computer Science, Software Development and Multimedia Technology) from Daekin University, Australia. He also joined the family business after completing his graduation in 2004. Currently, he looks after the day-to-day activities of our Company and predominantly takes care of administration, production and exports.

### **Declaration**

It is confirmed that the PAN, Bank Account details and Passport Number of the Promoters is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Prospectus with it.

### **Common Pursuits**

Our Promoters, Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal, are having interest in the following ventures, which are engaged in manufacturing of similar products as that of our Company and results into conflict of interest:



Name of the Venture	Common Products	Name of the Promoter(s) & Their Interest
Radha Krishna Industries	Polypropylene Bags and Films	Mr. Mitesh Agrawal [Partner (50%)]
Swati Packaging	Polypropylene Bags and Films	Mr. Abhishek Agrawal [Partner (50%)]

Further, our Promoters are also having interest in the following ventures, which are currently not manufacturing any common product as that of our Company; but in future there may be a conflict of interest, in case, these ventures decide to manufacture the common product(s) as that of our Company or vice versa:

Name of the Venture	Name of the Promoter(s) & Their Interest
Maharashtra Polycane Industries	Mr. Anil J. Agrawal [Partner (30%)]
Reliance Industrial Products	Mr. Anil J. Agrawal [Partner (60%)]
Siddharth Plastic Industries	1. Mr. Anil J. Agrawal [Partner (10%)] 2. Mr. Mitesh Agrawal [Partner (20%)]

### Interest of our Promoters

Our Company is promoted by Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal. In addition to the “Related Party Transactions” beginning on page 84 of this Prospectus, all our promoters are interested to the extent of equity shares held by them and also to the extent of any dividend payable thereon. Further, all our Promoters are also directors of our Company and 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 and/or reimbursement of expenses payable to them as per the applicable laws.

Our existing Managing Director and Executive Director, who are also our Promoters, may be interested to the extent of remuneration payable to them, if any, for services rendered to our Company.

Our Company has taken a part of Unit III, constituting factory land & building, situated at Survey No. 51/2 and 51/2A on lease against an interest free deposit of Rs. 40 Lacs and monthly lease rent of Rs.1000 per month from Mr. Abhishek Agrawal, one of our Promoters. We have also taken several residential flats on lease against an interest free deposit of Rs. 75 Lacs and monthly lease rent of Rs.1000 from Reliance Industrial Products, a partnership firm, wherein Mr. Anil J. Agrawal, one of our Promoters, is a partner.

Our Company has purchased Factory Land & Building situated at Survey No. 50/9A and Survey No. 54/3A & 54/2D, Daman Industrial Estate, Kadaiya, Daman from Mrs. Sulochanadevi Agrawal, wife of the Mr. Anil J. Agrawal, one of our Promoters, at a cost of Rs. 25.00 Lacs and Rs. 15.00 Lacs respectively. Further, our Company has purchased a land situated at Survey No. 292/1, 292/2 & 293/1, Village Marwad, Daman from Abias Exports (P) Ltd., wherein Mrs. Sulochanadevi Agrawal (wife of Mr. Anil J. Agrawal, one of our Promoters) is a director, against a payment of Rs. 58.00 Lacs.

Except as stated hereinabove and otherwise stated in this Prospectus, our Company have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

### Payment or Benefit to our Promoters

Except as stated hereinabove and otherwise stated in this Prospectus, our Company has not paid any amount to our promoters.

### Related Party Transactions as per the Financial Statements

Please refer “Related Party Disclosure” as mentioned under Sr. No. 6 of “Notes on Accounts” of the Auditors’ Report on page 79 of this Prospectus.

### Dividend Policy

Our Company doesn’t have any written policy for dividend payment.

## FINANCIAL STATEMENTS

## AUDITORS' REPORT

To,

The Board of Directors  
Radha Madhav Corporation Ltd.  
S.NO.50/9A, Daman Industrial Estate, Kadaiya  
Daman

We have examined the financial information of Radha Madhav Corporation Ltd. ("the Company") described below in A and B as annexed to this report and initialed by us for identification. The said financial information has been prepared in accordance with the requirement of Paragraph B(1) Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") (as amended from time to time) issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000, in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications. The said financial information has been prepared by the Company and approved by the Board of Directors of the Company.

**A. Financial Information as per Audited Financial Statements:**

We have examined the attached summary statement of Profits & Losses as restated of the Company for the period of 26 days from 6th March 2005 to 31st March 2005(Annexure-I), the attached summary statement of Assets & Liabilities as on that date(Annexure-II) and the significant accounting policies and major notes to accounts (Annexure-III) together referred to as the "Summary Statements".

Our examination includes

1. Comparing the information in the financial statement of the Company to the information in the summary statements
2. Comparing the information in the summary statement for the period of 26 days from 6th March 2005 to 31st March 2005 with the financial statements for the period ended on that date audited by us.
3. Auditing the adjustment made to the said financial information to arrive at the restated amount in the summary statement

The said financial statements has been adopted by the Board of Directors and the members in the Annual General Meeting.

We have also examined the accounts of the company for the six months ended on 30th September 2005, prepared and approved by the Board of Directors and audited by us for the purpose of disclosure in the prospectus, being issued by the company in connection with the public issue of equity shares

Based on our examination of this summary statement, we state that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate.

**B. Other financial informations:**

We have examined the following financial informations proposed to be included in the prospectus approved by the Board of Directors and annexed to this report

Annexure IV	Statement of Accounting Ratios
Annexure V	Capitalization Statement
Annexure VI	Statement of Unsecured loan
Annexure VII	Statement of other income
Annexure VIII	Statement of Tax Shelter
Annexure IX	Statement showing Age-wise analysis of Sundry Debtors & Details of Loans and Advances
Annexure X	Principal terms of loans & assets charged as security.

In our opinion, the financial information of the Company attached to this report as mentioned in Paragraphs (A) and (B) above, read with respective significant accounting policies and notes as annexed to this report and after making adjustments and regroupings as considered appropriate; has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for your information and for inclusion in the prospectus in connection with the specific initial 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 H. P. SHAH ASSOCIATES**

Sd/-

H. P. SHAH

**PROPRIETOR  
CHARTERED ACCOUNTANTS  
Membership No. 39093**

**PLACE : VAPI  
DATE : 17th OCTOBER 2005**



ANNEXURE I

RADHA MADHAV CORPORATION LIMITED  
STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	As on March 31, 2005	As on September 30, 2005
<b>A) Fixed Assets:</b>		
Gross Block	578.92	791.90
Less: Depreciation	1.96	23.77
<b>Net Block</b>	576.96	768.13
Capital Work –in- progress	114.99	111.83
<b>Net Block Total (A)</b>	<b>691.95</b>	<b>879.96</b>
<b>B) Investments Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>C) Current Assets, Loans &amp; Advances</b>		
Inventories	277.19	539.83
Sundry Debtors	725.74	923.52
Cash & Bank Balances	3.24	18.64
Loans and Advances	346.48	425.43
<b>Total (C)</b>	<b>1352.65</b>	<b>1907.42</b>
<b>D) Liabilities &amp; Provisions</b>		
Secured loans*	803.07	800.66
Unsecured loans	1.68	0.00
Current Liabilities & Provisions	285.56	517.21
Share Application Money	95.21	—
<b>Total (D)</b>	<b>1185.52</b>	<b>1317.87</b>
<b>NET WORTH (A+B+C-D)</b>	<b>859.08</b>	<b>1469.51</b>
<b>NET WORTH REPRESENTED BY:</b>		
Share Capital	568.33	709.00
Reserve & Surplus	289.74	739.16
<b>TOTAL</b>	<b>858.07</b>	<b>1448.16</b>
Less: Misc. Expenditure (to the extent not written off)	0.00	0.00
Deferred Tax Liability	1.01	21.35
<b>NET WORTH</b>	<b>859.08</b>	<b>1469.51</b>

\* Repayable within One year Rs.62 Lacs and Rs. 69.79 Lacs for the 26 days period ended on March 31, 2005 and for the half year ended on September 30, 2005 respectively.



**RADHA MADHAV CORPORATION LIMITED  
SUMMARY OF PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

Particulars	26 Days Period from March 6 till March 31, 2005	For the Half Year Ended on September 30, 2005
<b>Income</b>		
Sales of products manufactured by the company	258.04	2061.49
Less: Excise Duty	29.06	241.09
Net Sales	226.97	1820.40
Other income	* 2.72	7.84
<b>Total Income</b>	<b>231.70</b>	<b>1828.24</b>
<b>Expenditure</b>		
Raw Material Consumed & Inventory Adjustment	156.94	1348.15
Staff Costs	7.42	58.52
Other Manufacturing Expenses	14.55	86.61
Administrative and General Expenses	19.38	70.89
Interest & Financial Charges	6.12	45.15
Depreciation	1.96	21.81
<b>Total Expenditure</b>	<b>206.37</b>	<b>1631.13</b>
<b>Net Profit Before Tax &amp; Non-Recurring Expenditure</b>	<b>25.33</b>	<b>197.11</b>
Non-recurring Expenditure-Preliminary expenses for formation of the Company	@ 15.62	0.00
<b>Net Profit Before Tax but after Non-Recurring Expenditure</b>	<b>9.71</b>	<b>197.11</b>
Provision for Income Tax		
Current	0.56	36.15
Deferred	1.01	20.34
Fringe Benefit Tax	0.00	0.77
Provision for Wealth Tax	0.07	0.05
<b>Profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Extra ordinary items		
Income Tax adjustment related to earlier years		
<b>Net profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Balance of Profit brought forward	-	8.07
Dividend	-	-
Corporate Tax on Dividend	-	-
Transfer to General Reserves	-	-
Balance Carried to Balance sheet	8.07	147.87

\* Other income of Rs. 2.72 Lacs includes Rs. 2.58 Lacs being 10 % share of profit from three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries for the period February 01, 2005 to March 05, 2005.

@ In view of the Accounting Standard 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India, which has been made mandatory with effect from 01 Apr 04, company has written off preliminary expenses amounting to Rs.15.62 lacs for formation of the Company like stamp duty on Articles of Association and Memorandum of Association, Filing fees with Registrar of Companies and other costs related to formation and registration of the company, to the Profit & Loss Account which is non-recurring expenses.



## RADHA MADHAV CORPORATION LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND MAJOR NOTES TO ACCOUNTS

## A. SIGNIFICANT ACCOUNTING POLICIES

**(a) Basis of Accounting**

The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**(b) Fixed Assets**

Fixed Assets are stated at cost, net of CENVAT, less accumulated depreciation. All costs, including financing costs till commencement of commercial production are capitalized

Capital Work in Process are stated at cost incurred and the advances given to suppliers and contractors for creating fixed assets till it becomes operational/being utilized.

**(c) Depreciation**

Depreciation on Fixed Assets is provided on the Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets during the year is provided on pro-rata basis.

**(d) Investments**

Investments are stated at cost.

**(e) Inventories**

Finished and Semi-Finished stock is valued at the lower of cost or net realisable value. The cost of finished goods is determined on consistent basis, accepting the average direct and indirect expenses related to the production during the year. Raw materials, goods in transit and stores & spares are valued at cost.

**(f) Sales**

Sales represent the amount of receivables for goods sold including the value of Excise Duty.

**(g) Foreign Currency Transactions**

Transaction in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. At the year-end, monetary items denominated in foreign currency are reported using the rate of exchange prevailing on the last day of year. Exchange difference arising on realization / payment of foreign exchange are accounted to the Profit & Loss Account in the year of realization/ payment.

**(h) Amortisation of Miscellaneous Expenditure**

Preliminary Expenses are being written off in the year in which it is incurred as per the Accounting Standard 26 "Intangible Assets" issued by The Institute of Chartered Accountants of India, which has been made mandatory w.e.f. 01/04/2004.

**(i) Provision for Gratuity and Leave Encashment**

(1) The Company has created an Employee's Group Gratuity Fund which has taken a Group Gratuity-cum- Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

(2) Liability for leave encashment has been determined and accrued for, based on the number of days of encashable leave to the credit of each employee as on the balance sheet date.

**(j) Taxation**

Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax for timing difference between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realised in future.

**(k) Use of Estimates**

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known / materialized.

**B. MAJOR NOTES ON ACCOUNTS**

**1. Deferred Tax:**

The break-up of net deferred tax liability is as under.

(Rs. In 'Lacs)

Particulars	As on 31st March 2005 Amount	For the Half Year Ended on 30th September 2005 Amount
<b>Deferred tax liability</b>		
On Account of depreciation	5.26	21.89
<b>Deferred Assets</b>		
On Account of difference in allowable Preliminary Expenses	4.25	(1.05)
Unpaid balance of leave salary etc.	0.00	1.59
	<u>4.25</u>	<u>0.54</u>
Deferred tax liability	1.01	21.35

**2. Managerial Remuneration**

Particulars	26 Days Period from 6th March till 31st, March 2005 Amount Rs. in Lacs	For the Half Year Ended on 30th September 2005 Amount Rs. in Lacs
i) Remuneration	NIL	NIL
ii) Perquisite	NIL	NIL

**3. Auditors Remuneration**

Particulars	26 Days Period from 6th March till 31st, March 2005 Amount Rs. in Lacs	For the Half Year Ended on 30th September 2005 Amount Rs. in Lacs
i.] <u>As Auditors</u>	0.05	1.00
ii.] <u>Tax Audit</u>	0.06	0.00
In other Capacity Certification etc.	0.00	
Total	0.11	1.00

**4. Capital work in progress**

Particulars	As on 31st March 2005 Amount Rs. in Lacs	For the Half Year Ended on 30th September 2005 Amount Rs. in Lacs
Capital work in progress including Advance against capital expenditure.	114.99	111.83

Capital Work in Process are stated at cost incurred and the advances given to suppliers and contractors for creating fixed assets till it becomes operational/being utilized.



## 5. Details of Investments in Capital of Partnership Firm

The Company became partner in below mentioned three partnership firms on 01/02/05. The Company had buy out the shares of other partners and became proprietor of these three partnership firms with effect from 06/03/2005

Name of Partnership firm & Partners		Capital Investment As on 05-03-05 (Max. bal. Outstanding at any time during the period) (Rs. in lacs)	Profit sharing Ratio(%)	Share of Profit from 01/02/05 to 05/03/05 (Rs. in lacs)
1)	<b>Mayura Industries</b>			
	Shri Anil Agrawal	1.00 (194.67)	45	7.48
	Shri Abhishek Agrawal	0 (296.22)	45	7.48
	Radha Madhav Corporation Ltd.	328.07 (328.07)	10	1.66
TOTAL		329.07	100	16.62
2)	<b>Metro Poly Prints</b>			
	Shri Mitesh Agrawal	0 (172.72)	60	5.36
	Shri Kanubhai M. Patel	2.18 (47.82)	30	2.68
	Radha Madhav Corporation Ltd.	197.34 (197.34)	10	0.89
TOTAL		199.51	100	8.93
3)	<b>Radha Madhav Industries</b>			
	Shri Anil Agrawal	0 (91.65)	45	0.15
	Smt. Sulochanadevi Agrawal	0 (118.52)	45	0.15
	Radha Madhav Corporation Ltd.	181.49 (181.49)	10	0.03
TOTAL		181.49	100	0.32

## 6 Related Party Disclosure (As Identified by Management)

The Company has identified the related parties which has been listed as under and has also identified and reported the transactions with all these parties as under as per the Accounting Standard 18 "Related Parties disclosure" issued by the Institute of Chartered Accountants of India, New Delhi.

### (i) Related Party Relationships

#### (a) Enterprises Owned by Directors or Major Share Holders where control exists-

- Swati Packaging
- Radha Krishna Industries
- Abias Exports Pvt. Ltd.
- Abhishek Packaging Industries
- Maharashtra Polycane Industries
- Reliance Industrial Products
- Print Rite
- Siddharth Plastic Industries
- Plastic Corporation
- Care Plus Industries

**(b) Key Management Personnel**

- Shri. Mitesh Agrawal
- Shri. Abhishek Agrawal

**(c) Persons having significant influence**

- Shri Anil J. Agrawal

**(d) Relatives of Key Management Personnel**

- Smt. Sulochnadevi Agrawal
- Smt. Vandana Agrawal

**(ii) Name & address of Related parties & the amount of transactions with such parties (Rs. in Lacs)**

	Name address& Type of Related Party	Enterprises Owned by Directors or Major Share Holders where control exists		Key Managerial Personnel		Relatives of Key Managerial Person		Total	
		@	#	@	#	@	#	@	#
<b>1)</b>	<b>LOAN GIVEN/REPAID</b>								
	<b>Reliance Industrial Products</b> S.no.98/2, Daman Industrial Estate, Kadaiya, Daman	5.53 (5.53)	0.00	0.00	0.00	0.00	0.00	0.00	5.53 (5.53)
	<b>Abhishek Packaging Industries</b> S.no.51/2A, Daman Indl. Estate, Kadaiya, Daman	5.00 (5.00)	0.00	0.00	0.00	0.00	0.00	0.00	5.00 (5.00)
	<b>Maharashtra Polycane Industries</b> S.no.51/3A, Daman Indl. Estate, Kadaiya, Daman	5.00 (5.00)	0.00	0.00	0.00	0.00	0.00	0.00	5.00 (5.00)
	<b>Plastic Corporation</b> Plot no.39, Bharat Industrial Estate, Bhimpore, Daman	0.90 (0.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.90 (0.90)
	<b>Siddharth Plastic Industries</b> S.no. 50/9, Daman Industrial Estate, Kadaiya, Daman	1.60 (1.60)	0.00	0.00	0.00	0.00	0.00	0.00	1.60 (1.60)
	<b>Closing</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>2)</b>	<b>Fixed Assets Purchase During the Year</b>								
	<b>Metro Poly Prints</b> S.no.51/3C, Daman Indl., Estate, Kadaiya, Daman	245.28	0.00	0.00	0.00	0.00	0.00	245.28	0.00
	<b>Mayura Industries</b> S.no. 54/3A, & 54/2D, Daman Indl. Estate, Kadaiya, Daman	93.02	0.00	0.00	0.00	0.00	0.00	93.02	0.00



Name address& Type of Related Party	Enterprises Owned by Directors or Major Share Holders where control exists		Key Managerial Personnel		Relatives of Key Managerial Person		Total	
	@	#	@	#	@	#	@	#
<b>Radha Madhav Industries</b> S.no. 50/9A, Daman Industrial Estate, Kadaiya, Daman	57.51	0.00	0.00	0.00	0.00	0.00	57.51	0.00
<b>Smt. Sulochana Devi Agrawal</b> Radha Madhav Kunj, Dunetha, Daman	0.00	0.00	0.00	0.00	40.00	0.00	40.00	0.00
<b>M/s. Abias Exports (P) Ltd.</b> Dharmesh Apts, Tin Batti, Daman	0.00	58.00	0.00	0.00	0.00	0.00	0.00	58.00
<b>Total</b>	<b>395.81</b>	<b>58.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40.00</b>	<b>0.00</b>	<b>435.81</b>	<b>58.00</b>
<b>3) Sundry Creditors Closing Balance</b>								
<b>Reliance Industrial Products</b> S.no.98/2, Daman Industrial Estate, Kadaiya, Daman	11.79	1.96	0.00	0.00	0.00	0.00	11.79	1.96
<b>Maharashtra Polycane Industries</b> S.no.51/3A, Daman Indl. Estate, Kadaiya, Daman	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.11
<b>Abhishek Packaging Industries</b> S.no.51/2A, Daman Indl. Estate, Kadaiya, Daman	(0.60)	0.28	0.00	0.00	0.00	0.00	(0.60)	0.28
<b>M/s. Print Rite</b> S.no.51/2, Daman Indl. Estate, Kadaiya, Daman	1.13	0.93	0.00	0.00	0.00	0.00	1.13	0.93
<b>M/s. Radha Krishna Industries</b> S.no. 51/3, 1st Floor, Daman Indl. Estate, Kadaiya, Daman	(1.88)	0.00	0.00	0.00	0.00	0.00	(1.88)	0.00
<b>TOTAL</b>	<b>10.44</b>	<b>3.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.44</b>	<b>3.28</b>
<b>4) Deposit Given</b>								
<b>Reliance Industrial Products</b> S.no.98/2, Daman Industrial Estate, Kadaiya, Daman	75.00	0.00	0.00	0.00	0.00	0.00	75.00	0.00
<b>Abhishek Packaging Industries</b> S.no.51/2A, Daman Indl. Estate, Kadaiya, Daman	25.00	(25.00)	0.00	0.00	0.00	0.00	25.00	(25.00)

**RADHA MADHAV CORPORATION LIMITED**

Name address& Type of Related Party	Enterprises Owned by Directors or Major Share Holders where control exists		Key Managerial Personnel		Relatives of Key Managerial Person		Total	
	@	#	@	#	@	#	@	#
<b>Shri Abhishek Agrawal</b> Radha Madhav Kunj, Dunetha, Daman	0.00	0.00	40.00	0.00	0.00	0.00	40.00	0.00
<b>Total</b>	100.00	(25.00)	40.00	0.00	0.00	0.00	140.00	(25.00)
<b>5) INCOME</b>								
<b>(A) Rent Income</b>								
<b>Radha Madhav Industries</b> S.no. 50/9A, Daman Industrial Estate, Kadaiya, Daman	0.06	0.00	0.00	0.00	0.00	0.00	0.06	0.00
<b>Mayura Industries</b> S.no. 54/3A, & 54/2D, Daman Indl. Estate, Kadaiya, Daman	0.07	0.00	0.00	0.00	0.00	0.00	0.07	0.00
<b>Total</b>	0.13	0.0	0.0	0.0	0.0	0.0	0.13	0.0
<b>(B) Sales</b>								
<b>Abhishek Packaging Industries</b> S.no.51/2A, Daman Indl. Estate, Kadaiya, Daman	0.00	9.71	0.00	0.00	0.00	0.00	0.00	9.71
<b>Maharashtra Polycane Industries</b> S.no.51/3A, Daman Indl. Estate, Kadaiya, Daman	0.00	0.83	0.00	0.00	0.00	0.00	0.00	0.83
<b>Reliance Industrial Products</b> S.no.98/2, Daman Industrial Estate, Kadaiya, Daman	0.00	5.45	0.00	0.00	0.00	0.00	0.00	5.45
<b>Total</b>	<b>0.00</b>	<b>15.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.99</b>
<b>6) EXPENSES</b>								
<b>(A) Labour Job Paid</b>								
<b>M/s Swati Packaging</b> S.no. 51/2, 1st Floor, Daman Indl. Estate, Kadaiya, Daman	0.54	0.00	0.00	0.00	0.00	0.00	0.54	0.00
<b>M/s. Radha Krishna Industries</b> S.no. 51/3, 1st Floor, Daman Indl. Estate, Kadaiya, Daman	2.96	0.00	0.00	0.00	0.00	0.00	2.96	0.00
<b>M/s. Print Rite</b> S.no.51/2, Daman Indl. Estate, Kadaiya, Daman	0.00	0.93	0.00	0.00	0.00	0.00	0.00	0.93
<b>Total</b>	<b>3.50</b>	<b>0.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.50</b>	<b>0.93</b>





Name address& Type of Related Party	Enterprises Owned by Directors or Major Share Holders where control exists		Key Managerial Personnel		Relatives of Key Managerial Person		Total	
	@	#	@	#	@	#	@	#
<b>(B) Purchases</b>								
<b>Abhishek Packaging Industries</b> S.no.51/2A, Daman Indl. Estate, Kadaiya, Daman	0.00	1.67	0.00	0.00	0.00	0.00	0.00	1.67
<b>Maharashtra Polycane Industries</b> S.no.51/3A, Daman Indl. Estate, Kadaiya, Daman	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.21
<b>Reliance Industrial Products</b> S.no.98/2, Daman Industrial Estate, Kadaiya, Daman	0.00	2.09	0.00	0.00	0.00	0.00	0.00	2.09
<b>Total</b>	0.00	3.97	0.00	0.00	0.00	0.00	0.00	3.97

@ From the date of Incorporation being 07th January 2005 till 31st March 2005

# For the half year ended on 30th September 2005

**7 Contingent liability not provided for**

(Rs. in Lacs)

	As on 31st, March 2005	As on 30th September 2005
a) Bills/Cheques discounted	15.08	4.47
b) Guarantees given by Banks	22.58	25.81

**8. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of Advances) Rs. NIL (Previous year Rs.0.20 Lacs).**

**9. Earning per share**

	26 Days Period from 6th March till 31st, March 2005	For the Half Year ended on 30.09.05
a) Net Profit/Loss after tax available for equity share holder (Rs. in Lacs)	8.07	139.80
b) Weighted average number of equity share of Rs. 10/- each outstanding during the year [No. of Shares] (in Lacs)	18.16	63.67
c) Basic/Diluted earning per share (Rs.) [a/b]	0.44	2.20

10. Additional information as certified by management

(Rs. In Lacs)

I.	Consumption of Raw Materials	26 Days Period from 6th March till 31st March 2005		For the Half Year ended on 30.09.05	
		Qty. M.T.	Amount	Qty. M.T.	Amount
	(a) Plastic Granules	223.336	115.68	2188.420	1237.71
	(b) Other Raw Materials	243.220	45.24	1521.130	299.55
	<b>TOTAL</b>	<b>466.556</b>	<b>160.92</b>	<b>3709.55</b>	<b>1537.26</b>
II.	Percentage of consumption of indigenous and imported material	26 Days Period from 6th March till 31st March 2005		For the Half Year ended on 30.09.05	
		%	Amount (Rs. In Lacs)	%	Amount (Rs. In Lacs)
	a) Raw Material				
	i] Imported	0%	0.00	18%	85.59
	ii] Indigenous	100%	160.92	78%	1451.67
	<b>TOTAL</b>	<b>100%</b>	<b>160.92</b>	<b>100%</b>	<b>1537.26</b>
	b) Components & Spare Parts				
	i] Imported	0%	0.00	0%	0.00
	ii] Indigenous	100%	0.74	100%	3.99
	<b>TOTAL</b>	<b>100%</b>	<b>0.74</b>	<b>100%</b>	<b>3.99</b>



ANNEXURE – IV

**RADHA MADHAV CORPORATION LIMITED**  
**STATEMENT OF ACCOUNTING RATIOS**

<b>PARTICULARS</b>		<b>26 Days Period from 6th March till 31st, March 2005</b>	<b>For the Half Year Ended on 30th September 2005</b>
<b>Earning per Share (EPS)</b>			
Profit After Tax (Rs. in Lacs)	(a)	8.07	139.80
No. of Shares (in Lacs)	(b)	#18.16	#63.67
<b>EPS (in Rupees)</b>	<b>(a)/(b)</b>	<b>0.44</b>	<b>2.20</b>
<b>RETURN ON NETWORTH</b>			
Profit after Tax (Rs. in Lacs)	(a)	8.07	139.80
Net Worth (Rs. in Lacs) (Calculated on weighted average basis)	(b)	# # 273.89	##1175.27
<b>RETURN ON NETWORTH</b>	<b>(a)/(b)</b>	<b>2.95%</b>	<b>11.90%</b>
<b>NET ASSETS VALUE PER SHARE</b>			
TOTAL ASSETS (Rs. in Lacs)	(a)	2044.60	2787.38
TOTAL LIABILITIES (Rs. in Lacs)	(b)	1185.52	1317.87
NET ASSETS VALUE-(a)-(b) (Rs. in Lacs)	(c)	859.08	1469.51
No of shares (in Lacs)	(d)	56.83	70.90
<b>NET ASSETS VALUE PER SHARE</b>	<b>(c)/(d)</b>	<b>15.12</b>	<b>20.73</b>

**# Calculation of Weighted Average Number of Equity Shares**

<b>Sr.No</b>	<b>Date of Allotment</b>	<b>Number of Share Allotted</b>	<b>Weighted Average for the 26 Days period ended on 31.03.05</b>	<b>Weighted Average for half year ended on 30.09.05</b>
1	24-Jan-05	50,000	50000	50000
2	11-Mar-05	56,33,330	1765671	56,33,330
3	04- July -05	14,06,670	-	6,84,118
	<b>TOTAL</b>	<b>7090000</b>	<b>1815671</b>	<b>63,67,448</b>

**## Calculation of Weighted Average Net Worth (Rs. In Lacs)**

<b>Sr.No</b>	<b>Date of Allotment</b>	<b>Amount of Money Received</b>	<b>Weighted Average for the period ended on 31.03.05</b>	<b>Weighted Average for half year ended on 30.09.05</b>
1	24-Jan-05	5.00	5.00	5.00
2	11-Mar-05	845.00	264.85	845.00
3	Accrual of Profit	8.07	4.04	76.71
4	02-June-05	169.00	—	111.74
5	04- July -05	281.33	—	136.82
	<b>TOTAL</b>		<b>273.89</b>	<b>1175.27</b>

ANNEXURE-V

RADHA MADHAV CORPORATION LIMITED  
CAPITALISATION STATEMENT

(Rs. in Lacs)

PARTICULARS	PRE-ISSUE AS ON 30.09.05	As Adjusted for proposed Issue and loans sanctioned by banks #
<b>Loans-Secured &amp; Unsecured</b>		
Working Capital Loan		
Short Term Debt	543.28	1400.00
Long Term Debt	257.38	2657.38
Unsecured Loan	0.00	0.00
<b>Total</b>	<b>800.66</b>	<b>4057.38</b>
<b>Shareholder's funds:</b>		
Share Capital	709.00	1709.00
Reserves & Surplus	739.16	1739.16
Deferred Tax Liability	21.35	21.35
<b>Total Shareholder's funds</b>	<b>1469.51</b>	<b>3469.51</b>
<b>Long Term Debt/Shareholder's funds</b>	<b>0.18</b>	<b>0.77</b>

# Post Issue figures of capitalization statement has been arrived at by adding to the outstanding short term and long term loans as on 30.06.05, the additional short term and long term loans sanctioned by State Bank of India and Bank of Baroda. In the same way post issue figures of capitalization statement has been arrived at by adding to the existing share capital and reserves and surplus as on 30.06.05, the amount of proposed issue of equity capital and related share premium.

ANNEXURE-VI

RADHA MADHAV CORPORATION LIMITED  
STATEMENT OF UNSECURED LOAN

(Rs. in Lacs)

PARTICULARS	As on 31.03.05		As on 30.09.05	
	Amount	Rate of Interest	Amount	Rate of Interest
Unsecured loan from share holder-Mr. Kanubhai Patel	1.68	NIL	NIL	NIL



ANNEXURE VII

**RADHA MADHAV CORPORATION LIMITED**  
**STATEMENT OF OTHER INCOME- (IF>20% OF PROFIT BEFORE TAX)**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>26 Days Period from 6th March till 31st, March 2005</b>	<b>For the Half Year Ended on 30th September 2005</b>
<b>Profit Before Tax</b>	<b>9.71</b>	<b>197.11</b>
20% of Profit Before Tax	1.94	39.42
Other Income during the period / year	2.72	7.84
<b>Other Income Details</b>		
Income – Share of profit from firm	2.59	0.00
Rent Income	0.13	0.00
Sundry balance written back	0.00	4.03
Bank Interest	0.00	0.13
Export Benefit	0.00	3.58
Insurance claim received	0.00	0.10
<b>TOTAL</b>	<b>2.72</b>	<b>7.84</b>

ANNEXURE VIII

**RADHA MADHAV CORPORATION LIMITED**  
**TAX SHELTER STATEMENT**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>As on 31st, March 2005</b>	<b>As on 30th September 2005</b>
Net As Per Books Of Account Before Tax	9.71	197.11
Tax at Notional Rate	3.55	66.35
Adjustments : Deduction u/S80IB	(13.59)	(41.99)
Share of profit from Partnership firm	(2.59)	0.00
Difference between Tax Depreciation and Book Depreciation	(15.63)	(49.38)
Difference in allowable Preliminary Expenses, leave salary, bonus etc.	12.49	1.60
Other Adjustments	0.13	0.00
Net Adjustments	(19.19)	(89.77)
Tax Saving thereon :	(7.02)	(30.22)
Total Taxation (MAT)	0.56	36.13
Tax on extra-ordinary Items	0.00	0.00
Tax on profits before extra-ordinary items	0.00	0.00

## RADHA MADHAV CORPORATION LIMITED

## STATEMENT SHOWING AGE-WISE ANALYSIS OF SUNDRY DEBTORS &amp; DETAILS OF LOANS &amp; ADVANCES

(Rs. in Lacs)

PARTICULARS	As on 31st, March 2005	As on 30th September 2005
<b>Sundry Debtors (Unsecured, Considered Good) (Unless otherwise stated)</b>		
Over Six Months	147.57	163.67
Other	578.17	759.85
<b>Total</b>	<b>725.74*</b>	<b>923.52@</b>
<b>Loans &amp; Advances (Unsecured, Considered Good) (Unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received	84.06	170.41
Advances to Suppliers	96.39	62.52
Deposits	166.03	192.51
<b>Total</b>	<b>346.48</b>	<b>425.44</b>

\* Sundry debtors includes Rs. 0.09 lacs and Rs. 0.60 lacs due from M/s. Print Rite and M/s. Abhishek Packaging Industries, as amount receivable from the concerns in which directors are interested.

@ Sundry debtors includes Rs. 0.09 lacs, Rs. 1.57 lacs and Rs. 0.22 lacs due from M/s. Print Rite, M/s. Abhishek Packaging Industries and M/S Reliance Industrial Products respectively as amount receivable from the concerns in which directors are interested.



**ANNEXURE -X**

**PRINCIPAL TERMS OF LOANS & ASSETS CHARGED AS SECURITY**

**A. (1) Facility from Bank of Baroda, Somnath, Daman, SSI Branch to Radha Madhav Corporation Limited Unit I**

The Company has been sanctioned the following credit facilities by Bank of Baroda, Somnath, Daman, SSI Branch vide their letter dated 08th March, 2005:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing and Repayment Schedule
1.	Cash Credit I  Cash Credit II	100.00  15.00	98.128  15.18	1) Hypothecation of stock and book debts. 2) Hypothecation of Machineries existing as well as to be purchased as a collateral security 3) Equitable Mortgage of Factory, Land and Building at Survey No.51/3C, 54/1B, & 54/2 and 4) Personal Guarantee of a) Shri Anil J. Agrawal b) Smt Sulochnadevi Agrawal	CC I Interest at the Bank's PLR which is at present 10.50% p.a. at monthly rest.  CC I Repayable on demand and sanctioned for One year  CC II Interest 2.00 p.a over Bank's PLR which is at present 10.50% p.a. at monthly rest.  CC II Repayable on demand and sanctioned for Two months
2.	Term Loan	200.00	170.53	1) Hypothecation of Machineries existing as well as to be purchased. 2) Hypothecation of stock and book debts as a collateral security. 3) Equitable Mortgage of Factory, Land and Building at Survey No.51/3C, 54/1B, & 54/2 and Residential Bungalow at Plot No.20, Devka, Daman. 4) Personal Guarantee of a) Shri Anil J. Agrawal b) Smt Sulochnadevi Agrawal	Interest at the Bank's PLR which is at present 10.50% plus 0.50% p.a. i.e., 11.00% p.a. at monthly rest.  By 60 monthly equal installments.
3	Inland Bank Guarantee	8.80	8.80		
	<b>Total A</b>	<b>323.80</b>	<b>292.63</b>		



**B. Facility from Bank of Baroda, Somnath, Daman, SSI Branch to Radha Madhav Corporation Limited Unit II**

The Company has been sanctioned the following credit facilities by Bank of Baroda, Somnath, Daman, SSI Branch vide their letter dated 12th July, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing
1.	Cash Credit I  Cash Credit II	110.00  15.00	106.59  15.18	1) Letter of Hypothecation of Goods i.e. stock of raw material, SIP and finished goods. 2) Hypothecation of Plant and Machinery as a collateral security. 3) Hypothecation of Book Debts. 4) Personal Guarantee of a) Mr. Mitesh Agrawal b) Mr. Rajappa patty c) M/s. Reliance Industrial Products & Its non common partners personally. 6) Extension of equitable mortgage of factory land and building at S. No. 50/9A.	CC I Interest at the Bank's PLR which is at present 10% plus 0.50% p.a. i.e., 10.50% p.a. at monthly rest.  CC I Repayable on demand and sanctioned for One year  CC II Interest 2.00 p.a over Bank's PLR which is at present 10.50% p.a. at monthly rest.  CC II Repayable on demand and sanctioned for Two months
2.	Term Loan	6.58	NIL	1) Hypothecation of Machineries 2) Hypothecation of stock and book debts as a collateral security. 3) Personal Guarantee of (a) Mr. Mitesh Agrawal. b) Mr. Rajappa Patty c) M/s. Reliance Industrial Products & Its non common partners personally. 4) Extension of equitable mortgage of factory land and building at S. No. 50/9A.	Interest at the Bank's PLR which is at present 10.25% plus 0.25% p.a. i.e., 10.25% p.a. at monthly rest.  By 19 equal monthly installments.
3.	Inland Bank Guarantee	10.00	6.02	1) Extension of charge on fixed and current assets of the firm. 2) Extension of Equitable Mortgage and personal guarantee stipulated for fund based limits.	
	<b>Total B</b>	<b>141.58</b>	<b>127.79</b>		



**C. Facility from Bank of Baroda, Somnath, Daman, SSI Branch to Radha Madhav Corporation Limited Unit III**

The Company has been sanctioned the following credit facilities by Bank of Baroda, Somnath, Daman, SSI Branch vide their letter dated 12th December, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing
1.	Cash Credit I	300.00	293.02	1) Letter of Hypothecation of Goods i.e. stock of raw material, SIP and finished goods 2) Hypothecation of Plant and Machinery as a collateral security. 3) Hypothecation of Book Debts	CC I Interest at the Bank's PLR which is at present 10.50% plus 0.50% p.a. i.e., 11.00% p.a. at monthly rest.  CC I Repayable on demand and sanctioned for One year
	Cash Credit II	15.00	15.19	4) Personal Guarantee of a) Smt. Sulochanadevi Agrawal b) Shri Ibrahim Dhariwal c) M/s. Reliance Industrial Products & Its non-common partners personally (Group Firm) 5) Extension of equitable mortgage of factory land and building situated at S. No. 50/9A. 6) Extension of Equitable Mortgage of Land and Building of Reliance Industrial Products situated at Survey No.54/3A. 7) Equitable Mortgage of Flat No. 306 on the 3rd floor of the building known as Rajnigandha Co.Op Hsg. Soc., Vapi 8) Extension of equitable mortgage of factory land & building situated at Survey No. 98/2 , Village Kadiaya standing in the name of M/s. Reliance Industrial Products 9) Extension of equitable mortgage of Radha Madhav Apartment VGGP House No. C 577 at plot No. 433/3 of Village Dunetha , Daman in the name of M/s. Reliance Industrial Products 10) Extension of equitable mortgage of flat No. 17 & 18 in Gem Plaza at , Village Dunetha in the name of M/s. Reliance Industrial Products	CC II Interest 2.00 p.a over Bank's PLR which is at present 10.50% p.a. at monthly rest.  CC II Repayable on demand and sanctioned for Two months

**RADHA MADHAV CORPORATION LIMITED**

<b>Sr. No.</b>	<b>Credit Facility</b>	<b>Sanction Amount (Rs. in Lacs)</b>	<b>Outstanding as on 30.09.05 (Rs. in Lacs)</b>	<b>Security</b>	<b>Fees/Pricing</b>
2.	Term Loan	* 5.52 ** 14.58 *** <u>60.00</u> <u>80.10</u>	NIL 10.33 <u>58.30</u> <u>68.63</u>	<ol style="list-style-type: none"> <li>1) Hypothecation of Machineries.</li> <li>2) Hypothecation of stock and book debts as a collateral security</li> <li>3) Personal Guarantee of <ol style="list-style-type: none"> <li>a) Smt. Sulochanadevi Agrawal</li> <li>b) Shri Ibrahim Dhariwal</li> <li>c) M/s. Reliance Industrial Products &amp; Its non-common partners personally.</li> </ol> </li> <li>4) Extension of equitable mortgage of factory land and building situated at S. No. 50/9A.</li> <li>5) Extension of Equitable Mortgage of Land and Building of Reliance Industrial Products situated at Survey No.54/3A.</li> <li>6) Equitable Mortgage of Flat No. 306 on the 3rd floor of the building known as Rajnigandha Co.Op Hsg. Soc., Vapi</li> <li>7) Extension of equitable mortgage of factory land &amp; building situated at Survey No. 98/2 , Village Kadiaya standing in the name of M/s. Reliance Industrial Products</li> <li>8) Extension of equitable mortgage of Radha Madhav Apartment VGGP House No. C 577 at plot No. 433/3 of Village Dunetha , Daman in the name of M/s. Reliance Industrial Products</li> <li>9) Extension of equitable mortgage of flat No. 17 &amp; 18 in Gem Plaza at , Village Dunetha in the name of M/s. Reliance Industrial Products</li> </ol>	<p>Interest at the Bank's PLR which is at present 10.50% plus 1.25% p.a. i.e., 11.75% p.a. at monthly rest.</p> <p>* By 18 quarterly installments starting from 01/05/01</p> <p>** By 48 monthly installment starting from 01/11/03</p> <p>** *By 60 equal monthly installments.</p>
3.	Inland Bank Guarantee	40.00	11.00	<ol style="list-style-type: none"> <li>1) Extension of charge on fixed and current assets of the firm.</li> <li>2) Extension of Equitable Mortgage and personal guarantee stipulated for fund based limits.</li> </ol>	
	<b>Total C</b>	<b>435.10</b>	<b>387.84</b>		



**D. Facility from ICICI Bank Ltd, Mumbai to Radha Madhav Corporation Limited Unit II**

The Company has been sanctioned the following credit facilities by ICICI Bank Ltd, Mumbai vide their letter dated 07th October, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing
1	Vehicle Loan	8.00	3.67	Hypothecation of Vehicle	23 EMI of Rs. 33334/-

**E. Facility from ICICI Bank Ltd, Mumbai to Radha Madhav Corporation Limited Unit III**

The Company has been sanctioned the following credit facilities by ICICI Bank Ltd, Mumbai vide their letter dated 01st July, 2004:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing
1	Vehicle Loan	12.50	6.85	Hypothecation of Vehicle	35 EMI of Rs. 37925/-

**F. Facility from ICICI Bank Ltd, Mumbai to Radha Madhav Corporation Limited (H.O)**

The Company has been sanctioned the following credit facilities by ICICI Bank Ltd, Mumbai vide their letter dated 07th June,2005:

Sr. No.	Credit Facility	Sanction Amount (Rs. in Lacs)	Outstanding as on 30.09.05 (Rs. in Lacs)	Security	Fees/Pricing
1	Vehicle Loan	10.00	7.70	Hypothecation of Vehicle	32 EMI of Rs. 31250/-
	<b>Total (A+B+C+D+E+F)</b>	<b>923.71</b>	<b>826.48</b>		

- Charge for the Hypothecation is registered with Registrar of Companies, Goa for above mentioned loans.
- Creation and registration of charge with Registrar of Companies, Goa by way of Equitable Mortgage is under process for above mentioned loans.

**G. Principal terms of loans and assets charged as security for the facilities sanctioned as of 30th September 2005 and partially availed by the company on 04th October 2005**

The Company has been sanctioned the following credit facilities by State Bank of India, Vapi Industrial Township Branch and Bank of Baroda Mangaldas Market Branch Mumbai, in Consortium, By availing these loans Company had repaid the loans mentioned at Sr. No. A to Complied with above except Inland Bank Guarantee

The Following Credit Facilities are sanctioned by State Bank of India, Vapi Industrial Township Branch vide their sanction letter No. MCG/RM/VAPI/10 dated 06th June 2005

Sr. No.	Type of Facility	Amount Sanction (Rs. in Lacs)	Partially Amount Availed (Rs. in Lacs)	Amount Outstanding As of 15.10.2005	Rate of Interest / Terms of Repayment
1	Term Loan I	525.00	NIL	NIL	1.25% below SBAR with a minimum of 9.00% p.a in case of rupee drawings and as per rating for FCNB for Term Loan I & II  Term Loan I is repayable in 20 quarterly Installments of Rs.2625000/- each starting from fourth quarter of the financial year 2005-06
	Term Loan II	955.00	NIL	NIL	

**RADHA MADHAV CORPORATION LIMITED**

Sr. No.	Type of Facility	Amount Sanction (Rs. in Lacs)	Partially Amount Availed (Rs. in Lacs)	Amount Outstanding As of 15.10.2005	Rate of Interest / Terms of Repayment
					Term Loan II is repayable in 20 quarterly Installments of Rs.4775000/- each starting from third quarter of the financial year 2006-07
2	Cash Credit  Sub limit amount of above sanctioned limit for export Packing Credit/ Foreign Bill Discounting	770.00  0.95	430.00	430.00	1.25% below SBAR with a minimum of 9.00% p.a for Cash Credit  Repayable on demand and sanctioned for One Year  For Export Packing Credit As Per RBI/ Bank's extant instructions
3	Letter of Credit	55.00	NIL	NIL	Letter of Credit / Bank Guarantee As per Ratings
4	Bank Guarantee	165.00	NIL	NIL	
	<b>Total (1 + 2 + 3 + 4)</b>	<b>2470.00</b>	<b>430.00</b>	<b>430.00</b>	

The Following Credit Facilities are sanctioned by Bank of Baroda Mumbai Mangaldas Market Branch vide their sanction letter No MDM/ADV/43/1068 dated 29th July, 2005

Sr. No.	Type of Facility	Amount Sanction (Rs. in Lacs)	Partially Amount Availed (Rs. in Lacs)	Amount Outstanding As of 15.10.2005	Rate of Interest / Terms of Repayment
1	Term Loan I	252.00	239.32	239.32	1.50% below BPLR, viz 9.00% for Term Loan I, II & III  Term Loan I is repayable in 20 quarterly Installments of Rs.1260000/- each Installment to start immediately from the date of sanction
	Term Loan II	325.00	NIL	NIL	Term Loan II is repayable in 20 quarterly Installments of Rs.1625000/- each starting from fourth quarter of the financial year 2005-06
	Term Loan III	595.00	NIL	NIL	Term Loan III is repayable in 20 quarterly Installments of Rs.2975000/- each starting from third quarter of the financial year 2006-07



Sr. No.	Type of Facility	Amount Sanction (Rs. in Lacs)	Partially Amount Availed (Rs. in Lacs)	Amount Outstanding As of 15.10.2005	Rate of Interest / Terms of Repayment
2	Cash Credit	630.00	357.82		1.50% below BPLR, viz 9.00% with monthly rest and in accordance With the credit rating, subject to change in Benchmark prime lending rate and/or Credit Rating of the company from time to time Bank's present BPLR is 10.50%
	Sub-limit for Packing Credit cum FBP/UFBP 90 days Usance	80.00			Repayable on demand and sanctioned for One Year
3	Import/Inland Letter of Credit	45.00	NIL	NIL	Commission / Charges as per extant rules / guidelines
4	Bank Guarantee	135.00	NIL	NIL	Commission / Charges as per extant rules / guidelines
	<b>TOTAL</b>	<b>2062.00</b>	<b>597.14</b>	<b>499.01</b>	<b>Commission / Charges as per extant rules / guidelines</b>

**Details of Assets charged as security for loans sanctioned by State Bank of India, Vapi Industrial Township Branch and Bank of Baroda Mangaldas Market Branch Mumbai, as detailed above**

**1 Primary Security**

**a) Term Loan**

**b) Working Capital :** Hypothecation of Plant & Machineries existing as well as to be purchased

**2 Collateral Security**

Sr. No.	Details of Properties	Owned by
1	EM of Factory Land & Building situated at 50/9A, Daman Industrial Estate, Village Kadaiya, Daman	<b>Radha Madhav Corporation Limited</b>
2	EM of Factory Land & Building situated at 54/3A, & 54/2D Daman Industrial Estate, Village Kadaiya, Daman	
3	EM of Factory Land & Building situated at 51/3C, 54/2, & 54/1B Daman Industrial Estate, Village Kadaiya, Daman	
4	EM of Flat No. 32 in Gem Plaza Dunetha Daman	
5	EM of Factory Land & Building at 107/2, 108/1 & 108/2 Daman Industrial Estate, Village Kadaiya, Daman	
6	EM of Non agricultural land at 291/1, 292/2 & 293/1, Daman	
7	EM of Flat no. 214, 215 & 216 situated at Reliance Apartments Building No. 2, S. No. 183/1(5) , Patalia Road Daman	
8	Extension of Hypothecation of Unencumbered (existing) plant & machinery of Radha Madhav Corporation Ltd.	
9	Pledge of Term Deposit by Radha Madhav Corporation Ltd./ Any Director of (Rs. 20.00 Lacs)	

Sr. No.	Details of Properties	Owned by
10	EM of Flat No. 306 Rajnigandha Society, Plot No. 449/34, Vapi City Survey Vapi	Mr. Anil J. Agrawal
11	EM of Commercial Plot No. 568/30, 31, 40 & 41 at Khariwad Daman	
12	EM of Residential Plot No. 103/1 situated at Dunetha Daman	Mrs. Sulochanadevi Agrawal
13	EM of Flat No. 18 in Gem Plaza Dunetha Daman	Mr. Anil J. Agrawal, Mrs. Sulochanadevi Agrawal, Mr. Mitesh Agrawal & Mr. Abhishek Agrawal
14	Second Charge by way of EM of Factory Land and Building at 98/2 Kadaiya, Daman	The three properties (14,15 & 16) and plant & machineries is mortgaged to Bank of Baroda SSI Branch, Daman are standing in the name of Reliance Industrial Product (Group Firm)
15	Second Charge by way of EM of Flat No. 16 & 17 of Gem Plaza Dunetha, Daman	
16	Second Charge by way of EM of residential building at 433/3 of Dunetha Daman	
17	Second Charge by way of pledge of plant & machineries	
18	Pledge of Plant & Machinery	Print Rite (Group Firm)
19	EM of Factory Land & Building 51/2 & 51/2A, Kadaiya, Daman	Mr. Abhishek Agrawal

**3 Guarantee of following persons/firms for the above loans sanctioned by State Bank of India, Vapi Industrial Township Branch and Bank of Baroda Mangaldas Market Branch Mumbai**

**a) Personal guarantees of the following promoter directors**

1. Shri Anil Agrawal
2. Shri Mitesh Agrawal
3. Shri Abhishek Agrawal

**b) Personal Guarantee of the third Party**

1. Smt.Sulochna Devi Agrawal

**c) Guarantee of the following firms**

1. Reliance Industrial Products
2. Print Rite

- Charge by way of hypothecation has been created by the company and its registration with Registrar of Companies Goa, is under process for above mentioned loans.
- Creation and registration of charge with Registrar of Companies Goa, by way of Equitable Mortgage is under process for above mentioned loans.





## OUR GROUP ENTITIES

### Reliance Industrial Products

Reliance Industrial Products is a partnership firm having two partners, Mr. Anil J. Agrawal, Chairman of the company (60% share in Profit & Loss) and Mr. Ibrahim Dhariwal (40% share in Profit & Loss). The firm was formed on 01.11.1994 and is located at Survey No. 98/2, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the manufacturing of HDPE / LDPE, HM Tubing and PP Box strapping rolls.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	148.68	146.93	146.82
Total Income	766.52	1358.41	1345.1
Net profit Transferred to Partners' Capital Account	4.62	10.06	4.31

### Abhishek Packaging Industries

Abhishek Packaging Industries is a partnership firm having two partners, Mrs. Sulochanadevi Anil Agrawal (60% share in Profit & Loss) and Mrs. Vandana Mitesh Agrawal (40% share in Profit & Loss). The firm was formed on 01.08.1997 and is located at Survey No. 51/2A, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing Self Adhesive BOPP Tapes.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	57.97	76.97	93.69
Total Income	487.7	525.04	614.53
Net profit/(loss) Transferred to Partners' Capital Account	(11.95)	19.36	16.73

### Print Rite

Print Rite is a partnership firm having three partners, Mr. Anil J. Agrawal, (10% share in Profit & Loss), Mr. Mitesh Agrawal (45% share in Profit & Loss) and Mr. Suresh Gupta (45% share in Profit & Loss). The firm was formed on 01.05.1997 and is located at Survey No. 51/2B, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of offset and flexography printing activities.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	56.93	30.23	29.44
Total Income	53.25	46.83	50.63
Net profit Transferred to Partners' Capital Account	1.96	1.6	4.13

### Maharashtra Polycane Industries

Maharashtra Polycane Industries is a partnership firm having four partners, Mr. Anil J. Agrawal (30% share in Profit & Loss), Mr. Rajappa Patty (25% share in Profit & Loss), Mr. Rajesh R. Patty (20% share in Profit & Loss) and Mrs. Massama R. Patty (25% share in Profit & Loss). The firm was formed on 20.02.1998 and is located at Survey No. 51/3A, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing of Plastic Sutli and Furniture Cane.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	103.86	100.91	86.3
Total Income	316.1	308.18	344.04
Net profit Transferred to Partners' Capital Account	22.2	8.46	2.08

### Plastic Corporation

Plastic Corporation is a partnership firm having five partners, Mr. Anil J. Agrawal (15% share in Profit & Loss), Mr. Mitesh Agrawal (20% share in Profit & Loss), Mr. Jitendra Kumar Dugar (25% share in Profit & Loss), Mr. Gajubhai D. Patel (20% share in Profit & Loss) and Mrs. Kirandevi Dugar (20% share in Profit & Loss). The firm was formed on 20.11.1995 and is located at Plot No. 39, Bharat Industrial Estate, Bhimpore, Daman. The firm is an SSI Unit, engaged in the business of reprocessing of plastic granules of HM LDPE, PP and HDPE.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	56.8	49.17	47.76
Total Income	57.67	64.11	67.77
Net profit Transferred to Partners' Capital Account	1.83	1.47	0.85

### Siddharth Plastic Industries

Siddharth Plastic Industries is a partnership firm having five partners, Mr. Anil J. Agrawal (10% share in Profit & Loss), Mr. Mitesh Agrawal (20% share in Profit & Loss), Mr. Prakash Dugar (25% share in Profit & Loss), Mrs. Daxaben Patel (20% share in Profit & Loss) and Mrs. Sampatidevi Dugar (25% share in Profit & Loss). The firm was formed on 25.12.1997 and is located at Survey No. 50/9, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing of plastic strips of PVC and HDPE, which is used to coat around the power cables.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	6.67	2.01	1.42
Total Income	68.11	95.81	147.65
Net profit Transferred to Partners' Capital Account	0.77	0.24	0.74

### Radha Krishna Industries

Radha Krishna Industries is a partnership firm having two Partners, Mr. Mitesh Agrawal (50% share in Profit & Loss) and Mrs. Sulochanadevi Agrawal (50% share in Profit & Loss). The firm was formed on 01-02-2003 and is located at Survey no. 51/3A 1st Floor, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing of Plastic films and bags, which are used as primary packaging material.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	0.00	0.2	5.54
Total Income	0.00	0.34	14.8
Net profit/(loss) Transferred to Partners' Capital Account	0.00	(0.002)	5.29

### Swati Packaging

Swati Packaging is a partnership firm having two partners, Mr. Abhishek Agrawal (50% share in Profit & Loss) and Mrs. Vandana Mitesh Agrawal (50% share in Profit & Loss). The firm was formed on 01-03-2003 and is located at Survey No. 51/2A 1st Floor, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing of Plastic films and bags, which are used as primary packaging material.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	0.00	0.17	2.51
Total Income	0.00	0.12	6.12
Net profit/(loss) Transferred to Partners' Capital Account	0.00	(0.03)	2.23



## Care Plus Industries

Care Plus Industries is a partnership firm having three Partners, Mr. Anil J. Agrawal (25% share in Profit & Loss), Mr. Mitesh Agrawal (50% share in Profit & Loss) and Mr. Subhash Patel (25% share in Profit & Loss). The firm was formed on 02.05.1999 and is located at Survey no. 51/2A 1st Floor, Daman Industrial Estate, Kadaiya, Daman. The firm is an SSI Unit, engaged in the business of manufacturing of detergent products.

Brief Financial Performance (For last three years)

Rs. in Lacs

Particulars	For the financial year ended 31st March		
	2003	2004	2005
Partners' Capital	6.76	0.88	0.9
Total Income	0	0	0.02
Net profit/(loss) Transferred to Partners' Capital Account	(0.08)	(0.03)	(0.009)

### Disassociation of Promoters

Mr. Anil J. Agrawal, Chairman (Non-Executive) of our Company, was partner in Radha Madhav Industries and Mayura Industries. He dissociated himself from both Radha Madhav Industries and Mayura Industries on 05.03.2005, and our Company took over all the assets & liabilities of both these firms and became sole owner of the said firms. Radha Madhav Industries is now known as Radha Madhav Corporation Ltd. Unit II and Mayura Industries is known as Radha Madhav Corporation Ltd. Unit III. He was also partner in Baskinath Packers, Brown Cartons and Radha Plastic Industries. He got dissociated from Baskinath Packers, Brown Carton and Radha Plastic Industries by retiring as a partner from all the firms. He retired from Baskinath Packers and Brown Carton on 31.03.2004 and on 01.04.2004 from Radha Plastic Industries.

Mr. Mitesh Agrawal (Promoter) Managing Director of Our Company was partner in Metro Poly Prints. He dissociated from Metro Poly Prints on 05.03.2005, and our Company took over all the assets & liabilities of this firm and became sole owner of the said firm. Metro Poly Prints is now known as Radha Madhav Corporation Ltd. Unit I.

Mr. Abhishek Agrawal Promoter Director of Our Company was partner in Mayura Industries. He dissociated from Mayura Industries on 05.03.2005, and our Company took over all the assets & liabilities of this firm and became sole owner of the said firm. Mayura Industries is now known as Radha Madhav Corporation Ltd. Unit III.

Except as stated hereinabove, the Promoters of our Company confirm that they have not disassociated themselves from any of the companies / firms / ventures during preceding three years.

### Other relevant details about Group Companies / Firms:

- a) Our Promoters, Mr. Anil J. Agrawal, Mr. Mitesh Agrawal and Mr. Abhishek Agrawal, are having interest in the following ventures, which are engaged in manufacturing of similar products as that of our Company and results into conflict of interest:

Name of the Venture	Common Products	Name of the Promoter(s) & Their Interest
Radha Krishna Industries	Polypropylene Bags and Films	Mr. Mitesh Agrawal [Partner (50%)]
Swati Packaging	Polypropylene Bags and Films	Mr. Abhishek Agrawal [Partner (50%)]

Further, our Promoters are also having interest in the following ventures, which are currently not manufacturing any common product as that of our Company; but in future there may be a conflict of interest, in case, these ventures decide to manufacture the common product(s) as that of our Company or vice versa:

Name of the Venture	Name of the Promoter(s) & Their Interest
Maharashtra Polycane Industries	Mr. Anil J. Agrawal [Partner (30%)]
Reliance Industrial Products	Mr. Anil J. Agrawal [Partner (60%)]
Siddharth Plastic Industries	1. Mr. Anil J. Agrawal [Partner (10%)] 2. Mr. Mitesh Agrawal [Partner (20%)]

- b) For related Party Transactions, please refer "Related Party Disclosure" as mentioned under Sr. No. 6 of "Notes on Accounts" of the Auditors' Report on page 79 of this Prospectus.
- c) There are no sales or purchase between companies in the Promoters group, wherein such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Issuer Company. The material items of income or expenditure arising out of transactions in the Promoters group are disclosed under "Related Party Disclosure" as mentioned under Sr. No. 6 of "Notes on Accounts" of the Auditors' Report on page 79 of this Prospectus.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### (i) Overview of the Business of our Company

Our existing business is resultant of acquisition of running business of three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries, which became Unit I, Unit II and Unit III respectively of our Company. For more details please refer section titled "Our History and Certain Corporate Matters" appearing on page 63 of this Prospectus.

Our Company is a medium sized manufacturing company with ISO 9001:2000 certification from TUV Rheinland. Our Company is engaged in diversified packaging & printing activities and catering to varied clientele including Public Sector units, institutions, large scale industries, Co operative unions, Federations, Boards and various small scale industries encompassing industries like infrastructure, metal, cement, publication, FMCG, textile and garments, Pharmaceuticals, Food and Spices, Cosmetics and personal care, coatings, edible oil, confectionary, milk and milk products and various other industries.

We are a techno-driven Company with modern facilities for production. Our Company has thrived on technological edge and know-how of materials and processes. Our manufacturing activities can be divided into two areas; Primary Packaging and Secondary Packaging. Primary packaging material is in direct contact of the product and sold as integral part of single saleable unit like soap wrapper, confectionary packet, tea and shampoo sachet, whereas secondary packaging is used to pack such single units in large number like cartons, stretch wraps, straps, tapes etc.

Primary packaging business of our Company constitutes of "Flexible Packaging", "Specialty Films" and "Folded Cartons". Flexible packaging can be categorized into laminates, labels, wrappers, sleeves etc.

- Specialty films can be thermo formable, surface printed or laminations films.
- Folded cartons are paperboard cartons to pack single selling units like toothpastes, ointments, etc.

Secondary packaging business of our Company constitutes products like bags, liners, stretch films, shrink films, overwrap films, specialty thermoformable films, paper tubes, cartons, etc.

- Bags and liners can be made of different material and are used for general packing
- Stretch films are used for pallet wrapping, food packaging, etc.
- Shrink films are used to shrink glass bottles during transportation, paper reels, etc.
- Overwrap films are used to wrap bakery products, textiles, etc.
- Specialty thermoformable films are used for soft blister packaging of medical appliances
- Paper tubes and cores are used for winding yarns, textiles, films, etc.
- Cartons are used for general packing and various profiles for varied applications like as support packing with steel straps

With in house manufacturing of barrier cast and blown films, lamination, gravure coating, extrusion coating, and printing facility; our Company presently manufactures surface printed barrier films, metallized films, laminates, wrappers, overwrap films and lamination films of varied types. We also manufacture quality multi colored printed mono cartons.

Our Company manufactures range of secondary packaging with a product portfolio of stretch cast films, BOPP tapes, Masking film, Soft Blister Films, and commodity liners of various materials like PE, PVC and PP.

Our present business is being done through three units.

#### Expansion Project

Our Company is going for horizontal integration by way of adding new products to our existing products with a goal to capture a substantial market share and achieve a price leadership position. To achieve the goal, our Company has planned for capital expenditure of Rs. 50.06 Crores for setting up of manufacturing facility for new product and to add on the capacities for existing products.

#### Products / Services of our Company

Presently, our Company is manufacturing the following products:

- 3-Layer cast or blown Lamination Film – For Laminates



- Shrink Film – For General Packing
- 3 Layer cast Stretch Film
- Multi colored printed Laminates
- Extrusion Coated Paper
- 3 Ply Laminates
- Paper Tubes and cores
- Continuous Computer Stationery – With 4 Colour Printing
- TQPP liners and bags
- Multi colored offset printed folded cartons.

Further, by proposed expansion, our Company is inclined to manufacture the following products to add value addition in our existing product line:

Poly olefin shrink film

Flexo printed five and three layered barrier films

Self adhesive tapes.

- Soap Wrappers Tea Composites Liners etc.
- Solvent less / base lamination
- Printed Pouches
- PVC Film shrink Sleeves

## **(ii) Significant Developments Subsequent to the Last Financial Year**

### **Subsequent to the last financial year:**

- We have acquired one open land and one factory land & building, where our new Unit IV is being set-up.
- We have also been sanctioned financial assistance from State Bank of India and Bank of Baroda.
- As certified by TUV Rheinland, we have become ISO 9001:2000 Certified company. Our Company has also
- We have further issued 14,06,670 Equity Shares of Rs. 10/- each at a premium of Rs. 10/- each.

For further details, please refer section titled “Material Developments since the Last Balance Sheet Date” beginning from page 114 of this Prospectus.

The Directors of our Company confirm that in their opinion, except as stated hereinabove and as stated otherwise in this Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in the Prospectus, which materially and adversely affect or are likely to affect the trading or profitability of our Company, or the value of our assets, or our ability to pay our liabilities within the next twelve months.

## **(iii) Factors that may Affect Results of the Operations**

Except as otherwise stated in this Prospectus, the Risk Factors given in this Prospectus, the following important factors, among others, could cause the actual results to differ materially from the expectations:

- General economic and business conditions;
- Our Company’s ability to successfully implement strategy, growth and plans;
- Factors affecting the Industry;
- Increasing competition in the Industry;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Amount that our Company is able to realize from the clients;
- Changes in laws and regulations that apply to the Industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

(iv) The following discussion on the financial operations and performance should be read in conjunction with the audited financial results of our Company for the year ended 31st March 2005 & for the half year ended on 30th September 2005

STATEMENT OF PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

Particulars	26 Days Period from 6th March till 31st, March 2005	For the Half Year Ended on 30th September 2005
<b>Income</b>		
Sales of products manufactured by the company	258.04	2061.49
Less: Excise Duty	29.06	241.09
Net Sales	226.97	1820.40
Other income	* 2.72	7.84
<b>Total Income</b>	<b>231.70</b>	<b>1828.24</b>
<b>Expenditure</b>		
Raw Material Consumed & Inventory Adjustment	156.94	1348.15
Staff Costs	7.42	58.52
Other Manufacturing Expenses	14.55	86.61
Administrative and General Expenses	19.38	70.89
Interest & Financial Charges	6.12	45.15
Depreciation	1.96	21.81
<b>Total Expenditure</b>	<b>206.37</b>	<b>1631.13</b>
<b>Net Profit Before Tax &amp; Non-Recurring Expenditure</b>	<b>25.33</b>	<b>197.11</b>
Non-recurring Expenditure-Preliminary expenses for formation of the Company	@ 15.62	0.00
<b>Net Profit Before Tax but after Non-Recurring Expenditure</b>	<b>9.71</b>	<b>197.11</b>
Provision for Income Tax	—	—
Current	0.56	36.15
Deferred	1.01	20.34
Fringe Benefit Tax	0.00	0.77
Provision for Wealth Tax	0.07	0.05
<b>Profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Extra ordinary items	—	—
Income Tax adjustment related to earlier years	—	—
<b>Net profit after Tax</b>	<b>8.07</b>	<b>139.80</b>
Balance of Profit brought forward	—	8.07
Dividend	—	—
Corporate Tax on Dividend	—	—
Transfer to General Reserves	—	—
Balance Carried to Balance sheet	8.07	147.87

\* Other income of Rs. 2.72 Lacs includes Rs. 2.58 Lacs being 10 % share of profit from three partnership firms namely Metro Poly Prints, Radha Madhav Industries and Mayura Industries for the period February 1, 2005 to March 5, 2005.

@ In view of the Accounting Standard 26 issued by the Institute of Chartered Accountants of India, which has been made mandatory with effect from 01 Apr 04, company has written off preliminary expenses amounting to Rs.15.62 lacs for formation of the Company like stamp duty on Articles of Association and Memorandum of Association, Filing fees with Registrar of Companies and other costs related to formation and registration of the company, to the Profit & Loss Account which is non-recurring expenses.





**Note:** Since our Company has been incorporated on 7th January 2005 and 2004-05 was the first financial year of our Company, hence there are no comparable periods.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**a. Unusual or infrequent events or transactions:**

FY 2004-05 has been our first financial year and for the half year ended on 30.09.05 wherein no unusual or infrequent transactions have taken place.

**b. Significant Economic changes that materially affected or are likely to affect income from continuing operations:**

Government's focus on packaging industry will have major bearing on the companies involved in packaging sector. Any major changes in policies of the Government would have the significant impact on the profitability of our Company.

Except the above, there are no significant economics changes that may materially affect or likely to affect income from continuing operations.

**c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:**

Apart from the risks as disclosed under heading "Risk Factors" in this Prospectus, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**d. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known:**

Raw Material Consumed and Other Manufacturing Expenses as a % to Sales has been in the range of around 75.56% in the financial year 2004-05 and 78.82% for the half year ended on 30.09.05 Administrative Expenses & Staff Costs have been in the range of around 11.81% of the Sales, in the financial year 2004-05 and 7.11% for the half year ended on 30.09.05

With the steep increase in the polymer granules prices the % Raw Material Consumed and Other Manufacturing Expenses as a % to Sales has increased compared to the financial year 2004-05

Administrative Expenses & Staff Costs has reduced due to continuous increase in turnover

The expansion of the current operations would enable our Company to procure raw materials such as polymer granules and other petrochemical products in bulk. This may result in negotiations for competitive prices and help our Company to achieve economies of scale.

**e. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:**

The increase in turnover is mainly on account of increase in sales volume.

**f. Total turnover of each major industry segment in which our Company operated:**

Our Company is operating only in one segment namely packaging industry. However, there are no published data available to our Company for total turnover of the packaging Industry.

**g. Status of any publicly announced new products or business segment:**

Our Company has not announced any new product or segment.

**h. The extent to which business is seasonal:**

The business of our Company is not seasonal in nature.

**i. Any significant dependence on a single or few suppliers or customers:**

Our Company sources raw materials from a number of suppliers and is not under threat from excessive dependence on any single or few suppliers. Similarly, our Company supplies products to a variety of customers and hence there is no dependence on a single or few customers.



**j. Competitive Conditions**

Competition for our project is varied depending on the products offered and the geographical areas being chosen. However, broadly it can be divided into the following three areas:

**Primary Packaging Materials:**

For Primary packaging materials like printed POF films, laminates, surface printed films, wrappers, labels etc, we shall have to compete with MNCs and local manufacturers in India.

**Secondary Packaging Material of Higher Value Addition**

We are one of the major manufacturers for stretch cast films in domestic market, whereas we would be one of the key manufacturers for secondary packaging materials like POF film. However, we would require competing with the traders, who sale imported POF films. But, we presume that we shall be at net advantageous position to the extent of custom duty, freight charges prevailing from exporting countries, profit mark-up of importers as well as of the traders.

**Secondary Packaging Material of Lower Value Addition:**

Since, this is more competitive market; there is no substantial market share of any player to either influence the prices, the trends or the supply. Similarly, the users are many and neither of them can influence the price, the trend or the demand pattern individually.



## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company certifies that except as stated herein, there are no:

- a. Pending litigations in which the Promoters is involved, defaults to financial institutions/banks, non-payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters and the companies/firms promoted by the Promoters.
- b. Pending litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoters was associated in the past but is no longer associated, where his name continues to be associated with particular litigation(s).
- c.
  - i) Litigations against our Company or against any other company whose outcome could have a materially adverse effect of the position of our Company.
  - ii) Litigations against the Promoters or directors involving violation of statutory regulations or criminal offence.
- d.
  - i) Pending proceedings initiated for economic offences against the directors, the Promoters, companies and firms promoted by the Promoters.
  - ii) Past cases in which penalties were imposed by the concerned authorities.
- e. Outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of our Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956).
- f. Pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/Civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board/ stock exchanges against our Company/Promoters and his other business ventures (irrespective of the fact whether they fall under the purview of Sec 370 (1B) of the Companies Act, 1956) / Directors.

### 1. Under Criminal Laws

- a) Cases filed against our Company – NIL.
- b) Cases filed by erstwhile Partnership Firms now taken over by our Company:

Name of the Parties	Court	Charges/ Allegations	Date of Institution of Suit	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Erstwhile Mayura Industries V/s. Smart Films Pvt. Ltd	Daman	Case No. 162/2004 filed u/s 138 of Negotiable Instrument Act for recovery of debts.	28.12.04	The summons had been issued on the party but the same have not been executed and hence steps have been taken to reissue summons to the accused.	Amount cannot be quantified	Rs.1, 50,000	Nil

- c) Cases filed against our Promoters - NIL.
- d) Cases filed by our Promoters - NIL.
- e) Cases filed against our Group Entities - NIL.
- f) Cases filed by our Group Entities:

Name of the Parties	Court	Charges/ Allegations	Date of Institution of Suit	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Reliance Industrial Products v/s. RPL (India) Ltd. & Ors,	Daman	Case No. 5/2001 filed u/s 138 of Negotiable Instrument Act for recovery of debts	11.01.01	Copy of the Complaint filed and the amendment made therein provided. The case summons were issued on the party but the same have not been executed and hence steps have been taken to reissue summons to the accused.	Amount cannot be quantified	Rs. 45,240	Nil
Reliance Industrial Products v/s. Anuj Tex Processors Pvt. Ltd.	Daman	Case No. 119/2004 filed u/s 138 of Negotiable Instrument Act for recovery of debts.	24.08.04	The Summons had been issued but the same was returned back unserved and hence applied to reissue summons by hand delivery.	Amount cannot be quantified	Rs. 8,851	Nil
Abhishek Packaging Industries v/s. Anuj Tex Processors Pvt. Ltd.	Daman	Case No. 118/2004 filed u/s 138 of Negotiable Instrument Act for recovery of debts.	24.08.04	The Summons had been issued but the same was returned back unserved and hence applied to reissue summons by hand delivery.	Amount cannot be quantified	Rs. 6,821	Nil

**2. Under Securities Laws-**

- a) Cases filed against our Company – NIL.
- b) Cases filed by erstwhile Partnership Firms now taken over by our Company - NIL.
- c) Cases filed against our Promoters- NIL.
- d) Cases filed by our Promoters- NIL.
- e) Cases filed against our Group Entities- NIL.
- f) Cases filed by our Group Entities - NIL.

**3. Under Statutory Laws**

- a) Cases filed against our Company – NIL.
- b) Cases filed by erstwhile Partnership Firms now taken over by our Company:



Applicant	Respondent	Assessment year	Section	Verified by	Nature of case	Present status
Erstwhile Mayura Industries	ITO Vapi, ward (4) Daman	2001-2002 3160 (AHD) /04	143(3)	Anil Agrawal	Regarding allowance of Depreciation Rs. 1958322.00	Appeal pending before the ITAT
Erstwhile Radha Madhav Industries	ITO Vapi, ward (4) Daman	2001-2002 ITA 3156 (AHD)/04	143(3)	Anil Agrawal	Regarding allowance of Depreciation Rs. 1043607.00	Appeal pending before the ITAT

c) Cases filed against our Promoters - NIL.

d) Cases filed by our Promoters - NIL.

e) Cases filed against our Group Entities- NIL.

f) Cases filed by RMCL Group Entities - The Income tax Appeal relating to disallowance of depreciation u/s 80 IB of the Income Tax Act 1961 for the Assessment Year 2001-02 is pending before the Income Tax Tribunal for erstwhile firms namely M/s. Radha Madhav Industries and M/s. Mayura Industries.

The said Income tax Appeal was filed before the Income tax Appellate Tribunal against the order of the CIT (A) passed on 18.8.2004 for the Assessment Year 2001-02.

Applicant	Respondent	Assess-ment year	Section	Verified by	Nature of case	Present status
M/s. Print Rite	ITO Vapi, ward (4) Daman	1999-2000 ITA NO. 448/05	154	Anil Agrawal	Regarding allowance of Depreciation Rs. 836180.00	Matter pending before the Appellate Tribunal
M/s. Print Rite	ITO Vapi, ward (4) Daman	2000-2001 ITA 449/05	154	Anil Agrawal	Regarding allowance of Depreciation Rs. 675033.00	Matter pending before the Appellate Tribunal
M/s. Print Rite	ITO Vapi, ward (4) Daman	2001-2002 ITA 3158 (AHD) 04	143(3)	Anil Agrawal	Regarding allowance of Depreciation Rs. 513107.00	Matter pending before the Appellate Tribunal
M/s. Plastic Corporation	ITO Vapi, ward (4) Daman	2001-2002 ITA 3159 (AHD)/04	143(3)	Anil Agrawal	Regarding allowance of Depreciation Rs. 303553.00	Matter pending before the Appellate Tribunal
M/s. Abhishek Packing Ind.	ITO Vapi, ward (4) Daman	2001-2002 ITA 3152 (AHD)/04	143(3)	Sulochanadevi Agrawal	Regarding allowance of Depreciation Rs. 513236.00	Matter Pending Before the Appellate Tribunal

Note: - In the aforesaid matters the Financial Implications cannot be quantified at this stage.

**4. Under Civil Laws**

a) Cases filed against our Company – NIL.

b) Cases filed by erstwhile Partnership Firms now taken over by our Company:

Name of the Party & Address	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Erstwhile Mayura Industries V/s. Laminar Industries	Daman	Civil suit for recovery of dues	17.03.05	Advocate Issued Notice for recovery of debts	Rs. 2,28,798 (principal amount)	Rs.1, 20,420/- (Principal amount)	Nil
Erstwhile Mayura Industries V/s. Sunshil Packaging	Daman	Civil suit for recovery of dues	17.03.05	Advocate Issued Notice for recovery of debts	Rs. 1,05,440 (Principal amount + Interest)	Rs.54,632/- (Principal amount)	Nil

c) Cases filed against our Promoters - NIL.

d) Cases filed by our Promoters - NIL.

e) Cases filed against our Group Entities:

Name of the Party & Address	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Ankur Meals Limited v/s. Reliance Industrial Products	Court of Civil Judge (Sr. Div.) Agra - Civil Suit No. 170/2004.	For Recovery of dues	31.5.02	The date was fixed for Written Statement and hearing on 22.8. 05 has been extended to 22.10.2005	Nil	Rs. 1,86,663	Nil

(f) Cases filed by our Group Entities

Name of the Party & Address	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Reliance Industrial Products v/s. Ankur Meals Limited	Civil Suit No. 37 of 2002 - Daman	For Recovery of dues	29.06.02	Suit filed for recovery of debts due to the packing material supplied by the firm. The matter is fixed for Affidavit by the Plaintiff.	Nil	Rs. 6,00,630	Nil
Abhishek Packaging Industries v/s. Shri Wari Packaging	Special Civil Suit No. 26/ 2004 - Daman	For Recovery of dues	22.09.04	The Summons had been issued but the same was returned back unserved and hence applied to reissue summons by hand delivery.	Nil	Rs. 24,146	Nil



Name of the Party & Address	Court	Charges/ Allegations	Date of Institution	Present Status	Financial Implications on the Issuer	Amount Involved	Provisions made in the Financial Statements
Reliance Industrial Products v/s. Shri Wari Packaging	Civil Suit No. filed u/s 25/2004 - Daman	For Recovery of dues	22.09.04	The Summons had been issued but the same was returned back unserved and hence applied to reissue summons by hand delivery.	.Nil	Rs. 49,190	Nil
Abhishek Packaging Industries V/s. Kalyan Polymers	Daman	Civil suit for recovery of debts	01.06.05	Advocate Issued Notice for recovery of debts	Nil	Rs.570390/- (Principal amount)	Nil

#### 5. Under Labour Laws-

- Cases filed against our Company – NIL.
- Cases filed by erstwhile Partnership Firms now taken over by our Company - NIL.
- Cases filed against our Promoters - NIL.
- Cases filed by our Promoters - NIL.
- Cases filed against our Group Entities- NIL.
- Cases filed by our Group Entities - NIL.

#### Amounts Owed to Small Scale Undertakings or other Creditors

The name of Small Scale Undertakings or other creditors to whom our Company owes a sum exceeding Rs. 1 Lac, which is outstanding for more than 30 days, as on September 30, 2005 are as follows:

Sr. No.	Name of Undertaking	Amount
1	Abhijit Paper & Pulp P. Ltd.	259,484
2	Borana Plastic Limited.-Daman	677,163
3	Chemi Coat.-Thana	268,885
4	Daman Ganga Board Mills Pvt.Ltd.Vapi	276,974
5	Gandhi Tex Multiplex Ltd	1,803,518
6	Kolsite Machine Fabrik Ltd.-Daman	205,427
7	Lin-Lite Sales Corporation.-Daman.	249,173
8	Naini Papers Ltd.Uttaranchal	246,168
9	Narendra Poly Prints Ltd.-Daman	1,116,983
10	Paper Pack Agencies.Ahmedabad	326,239
11	Plastiblends India Ltd.-Daman	285,568
12	Print Rite	117,281
13	Ramnklal S. Gosalia & Co.Mumbai	3,197,070
14	Reliance Industrial Products	196,147
15	Ruby Macons Ltd.Vapi	691,579
16	S.B.CorporationMumbai	240,817
17	Shell Colours & Chemicals.-Daman	133,660
18	Sonal Paper Products.Dadra	241,411
19	Turakhia Polymers.-Daman	1,854,370
20	Vapi Paper Mills Ltd.Vapi	1,601,361
	<b>TOTAL</b>	<b>13,989,278</b>

#### Material Developments since the Last Balance Sheet Date

There are no material developments after the date of last balance sheet i.e. 30th September, 2005.

**GOVERNMENT AND OTHER APPROVALS****Investment Approvals (FIPB/ RBI, etc.)**

As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

**All Government and Other Approvals**

Our Company has received the following Government approvals/licenses/permissions:

**Incorporation and Other Statutory Compliances**

1. Certificate of Incorporation bearing no. U74950 DD 2005 PLC003775 dated 7th January, 2005 from the Registrar of Companies, Goa, Daman & Diu.
2. Certificate for commencement of business bearing no. U74950 DD 2005 PLC003775 dated 24th January, 2005 with Registrar of Companies, Goa, Daman & Diu pursuant to Section 149 (3) of the Act.
3. The Company's IEC (Importer-Exporter Code) No. is 0304035696 as contained in the Certificate of Importer-Exporter Code from the Office of the Joint Director General of Foreign Trade, Ministry of Commerce, Mumbai, issued from file No. 03/04/130/03587/AM05 dated August 13, 2005.
4. No Certificate of Establishment is required under Shops and Establishments Act, 1948 for establishment of factory land and building acquired by the Company for the purpose of manufacturing which is situated in Union Territory of Daman and Diu.
5. Permanent Account Number (PAN) issued by Income Tax Department, Government of India bearing number AAACR9357C.
6. TAN No. SRTR01950E
7. Registration vide Document Sr. No. 996/2005 dated May 30, 2005 with Sub Registrar Daman; for Land bearing Survey No. 51/3C, 54/1B, 54/2, Daman Industrial Estate, Village Kadaiya Daman –396210 **(Unit I)**.
8. Registration vide Document No. 180/2005 dated February 1, 2005 with Sub Registrar, Daman for Land bearing Survey No. 50/9A, Daman Industrial Estate, Village Kadaiya, Daman –396210 **(Unit II)**.
9. Registration vide Document No. 179/05 dated February 1, 2005 with Sub Registrar Daman for Land bearing Survey No. 54/3A, 54/2D, Daman Industrial Estate, Village Kadaiya, Daman –396210 **(Unit III)**.
10. Registration vide Document No.1178/2005 dated June 28, 2005 with the Sub-Registrar of Assurances, Daman, for land bearing Survey Nos.107/2, 108/1,108/2, situated at Daman Industrial Estate, Village Kadaiya, Nani Daman, District of Daman **(Unit IV)**.
11. Acknowledgement receipt bearing reference no. 920/SIA/IMO/2005 dated June 23, 2005, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of Industry, Government of India for the Industrial Entrepreneurs Memorandum submitted for the manufacture of Printed & Unprinted Multi Layered films, satches, pouches, soft blister films stretch, films, extrusion coating, paper to polyethylene 2. lamination for integrated packing, flexible packing material and coating, tea composit liners wrappers, PVDC coated films, PVC film shrink sleeves **(Unit I)**.
12. Acknowledgement receipt bearing reference no. 949/SIA/IMO/2005 dated June 10, 2005, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of Industry, Government of India for the Industrial Entrepreneurs Memorandum submitted for the manufacture of 1. Spiral Paper Tubes, 2. Computer Stationary **(Unit II)**.
13. Acknowledgement receipt bearing reference no. 917/SIA/IMO/2005 dated June 10, 2005, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of Industry, Government of India for the printed & unprinted films, satches, pouches, flexible packing materials with and without coating and lamination, tea composite liners, wrappers, PVDC coated films, PVC film shrink sleeves other those reserved for SSI Sector **(Unit II)**.
14. Acknowledgement receipt bearing reference no. 919/SIA/IMO/2005 dated June 10, 2005, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of





Industry, Government of India for the printed & unprinted containers and boxes of paper and paper board excluding paper board cartons (unlaminated and other items) **(Unit III)**.

15. Acknowledgement receipt bearing reference no. 918/SIA/IMO/2005 dated June 10, 2005, issued by Department of Industrial Policy and Promotion, Secretariat of Industrial Assistance (Public Relation and Complaints Section) Ministry of Industry, Government of India for the printed & unprinted multi layered films, satches, pouches, lamination, flexible coating, tea, composite liners, wrappers, 2. PVDC coated films, PVC film shrink sleeves other those reserved for SSI Sector **(Unit III)**.
16. Acknowledgement bearing reference No. 2978/SIA/IMO/2005 dated June 22, 2005 issued by Secretariat for Industrial Assistance, Ministry of Commerce & Industry, Government of India for Industrial Entrepreneurs Memorandum submitted for the manufacture of Semi-finished products of plastics with proposed capacity of 1872.00 MT located at Survey No.107/2, 108/2, 108/1, Daman Industrial Estate, Kadaiya, Daman – 396210 **(Unit IV)**.
17. Acknowledgement bearing reference No. 2979/SIA/IMO/2005 dated June 22, 2005 issued by Secretariat for Industrial Assistance, Ministry of Commerce & Industry, Government of India for Industrial Entrepreneurs Memorandum submitted for the manufacture of printed & unprinted multi layered films, satches, pouches, lamination, flexible packaging, coating, tea, composite liners, wrappers with proposed capacity of 11238.00 MT located at Survey No.107/2, 108/2, 108/1, Daman Industrial Estate, Kadaiya, Daman – 396210 **(Unit IV)**.
18. Acknowledgement bearing reference No. 2980/SIA/IMO/2005 dated June 22, 2005 issued by Secretariat for Industrial Assistance, Ministry of Commerce & Industry, Government of India for Industrial Entrepreneurs Memorandum submitted for the manufacture of PVDC coated films, PVC film shrink sleeves excluding items of manufacture reserved for SSI with proposed capacity of 3000 MT located at Survey No.107 &108/2, 108/1, Daman Industrial Estate, Kadaiya, Daman – 396210 **(Unit IV)**.
19. Acknowledgement bearing reference No. 2981/SIA/IMO/2005 dated June 22, 2005 issued by Secretariat for Industrial Assistance, Ministry of Commerce & Industry, Government of India for Industrial Entrepreneurs Memorandum submitted for the manufacture of Extrusion coating paper to polythelane lamination for integrated packing excluding items reserved for SSI, with proposed capacity of 3685.00 MT at Survey No.107/2, 108/2, 108/1, Daman Industrial Estate, Kadaiya, Daman 396 210 **(Unit IV)**.
20. No Objection Certificate bearing no. MVP/NOC/F.7/2005/06/663 dated March 5, 2005 issued by Sarpanch, Marwad Group Gram Panchayat, Marwad, Village Panchayat, Nani Daman, Daman – 396 210 for manufacture of any type of plastic product, paper product and printing activity at Survey. No. 54/1B, 54/2, 51/3C, Daman Industrial Estate, Village Kadaiya, Nani-Daman **(Unit I)**.
21. No Objection Certificate bearing no. MVP/NOC/F.7/2005/06/664 dated March 5, 2005 issued by Sarpanch, Marwad Group Gram Panchayat, Marwad, Village Panchayat, Nani Daman, Daman – 396 210, for manufacture of any type of plastic product, paper product and printing activity at Sr. No.50/9A, Daman Industrial Estate, Village Kadaiya, Nani-Daman **(Unit II)**.
22. No Objection Certificate bearing no. MVP/NOC/F.7/2005/06/665 dated March 5, 2005 issued by Sarpanch, Marwad Group Gram Panchayat, Marwad, Village Panchayat, Nani Daman, Daman – 396 210, for the manufacture of any type of plastic product, paper product and printing activity at Sr. No.54/2D, 54/3A, Daman Industrial Estate, Village Kadaiya, Nani-Daman **(Unit III)**.
23. In principle Clearance no. DMN/DIC/MSI/2003-04/998 dated March 16, 2005 issued by General Manager, District Industries Centre, Daman, for Upgradation/ Expansion of Existing Industrial Undertaking/Medium Scale Industry for the manufacture of Printed & Unprinted Multi layered films, satches, pouches, soft blister films, stretch films extrusion coating, paper to polyethylene, lamination for intergrated packing, flexible packing material and coating, tea composite liners, wrappers, PVDC coated films PVC film shrink sleeves at Survey No. 51/3-C, 54/1-B, 54/2 Daman Industrial Estate, Kadaiya, Nani Daman **(Unit I)**.  
  
This license has been taken over from M/s. Metro Poly Prints to M/s. Radha Madhav Corporation Limited vide letter dated 15-6-2005 bearing no. DMN/DIC/MSI/2004-05/251 issued by General Manager (DIC) Daman, Administration of Daman & Diu, Department of Industries, District Industries Centre, Daman.
24. In principle Clearance no. DMN/DIC/MSI/2003-04/1000 dated March 16, 2005 issued by General Manager, District Industries Centre, Daman, for Upgradation/ Expansion of Existing Industrial Undertaking/Medium Scale Industry for the manufacture of Printed & Unprinted films, satches, pouches, flexible packing materials with and without coating and lamination, Tea composite liners, wrappers, PVDC coated films PVC film shrink sleeves, packaging products of plastics, manufacture of spiral paper tubes, computer stationery at Survey No. 50/9A Daman Industrial Estate, Kadaiya, Nani Daman. **(Unit-II)**.

This license has been transferred from M/s. Radha Madhav Industries to M/s. Radha Madhav Corporation Limited vide letter dated 15-6-2005 bearing no. DMN/DIC/MSI/2004-05/253 issued by General Manager (DIC) Daman, Administration of Daman & Diu, Department of Industries, District Industries Centre, Daman.

25. In principle Clearance no. DMN/DIC/MSI/2003-04/1001 dated March 16, 2005 issued by General Manager, District Industries Centre, Daman, for Upgradation/ Expansion of Existing Industrial Undertaking/Medium Scale Industry for the manufacture of Printed & Unprinted Containers and Boxes of Paper and Paper boards. Printed & Unprinted multi layered films, satches, pouches, lamination, flexible packaging coating, tea composite liners, wrappers, PVDC coated films PVC film shrink sleeves at Survey No. 54/3A and 54/2-D, Daman Industrial Estate, Kadaiya, Nani Daman. **(Unit-III)**.

This license has been transferred from M/s. Mayura Industries to M/s. Radha Madhav Corporation Limited vide letter dated 15-6-2005 bearing no. DMN/DIC/MSI/2004-05/252 issued by General Manager (DIC) Daman, Administration of Daman & Diu, Department of Industries, District Industries Centre, Daman.

26. In principle Clearance no. DMN/DIC/LSI/2005-06/324 dated July 19, 2005 issued by General Manager, District Industries Centre, Daman, for Upgradation/Expansion of Existing Industrial Undertaking/Medium Scale Industry for the manufacture of Printed & Unprinted multi layered films, satches, pouches, lamination, flexible packaging coating, tea composite liners, wrappers, PVDC coated films PVC film shrink sleeves excluding Extrusion coating paper to polythelane lamination for integrated packing excluding items reserved for SSI at Survey No. 107/2, 108/2 & 108/1, Daman Industrial Estate, Kadaiya, Daman **(Unit - IV)**.
27. Occupancy Certificate dated 23rd December, 1999 issued by the Administration of U.T. of Daman and Diu, Public Works Department Sub Division II, Nani Daman, in favour of Metro Polyprints for plot bearing Survey No. 51/3-C, 54/1-B, 54/2 of village Kadaiya of Daman upon its completion of ground floor work authorised by building permission No. 6/97-98/MP/ Plan/97-98/44.
28. Occupancy Certificate dated 23rd December, 1999 issued by the Administration of U.T of Daman and Diu, Public Works Department for plot bearing Survey No. 54/2-D, 54/3-A, 50/9-A of village Kadaiya of Daman upon its completion of ground floor work authorised by building permission No. 15/99-2000/99-2000/530.
29. Approval was granted on 16th June, 2005 bearing no. ED/EE/T-12/2004-2005/140 by the Electricity Department, Administration of Daman & Diu for change of name of the Company from M/s. Metro Poly Prints to M/s. Radha Madhav Corporation Limited **(Unit I)** at Kadaiya, Daman. The approval to the erstwhile M/s. Metro Polyprints was dated 28-12-1999 for power connection for installation of connected load of 30 HP at LT voltage.
30. Approval was granted on 16th June, 2005 bearing no. ED/EE/T-12/2004-2005/139 by the Electricity Department Administration of Daman & Diu for change in name of the Company from M/s. Radha Madhav Industries to M/s. Radha Madhav Corporation Limited, **(Unit II)** at Kadaiya, Daman. The approval to the erstwhile M/s. Radha Madhav Industries was granted for installation of a connected load of 35HP/KW at LT voltage dated 15-2-2000.
31. Consent Letter bearing no. ED/EE/T-14/324 dated 11th October, 2005 issued by the Electricity Department, Administration of Daman & Diu (U.T.) to M/s. Radha Madhav Corporation Limited, **(Unit-IV)** situated at Survey no. 107/2, 108/1 and 108/2, Daman Industrial Estate, Kadaiya, Daman vide its application dated 20th July 2005 for power connection with contract demand of 1000 KVA at HT voltage.
32. Approval was granted on 16th June, 2005 bearing no. ED/EE/T-12/2005-2006/138 by the Electricity Department, Administration of Daman & Diu (UT) for change in name of the company from M/s. Mayura Industries to M/s. Radha Madhav Corporation Limited (Unit III) at Kadaiya, Daman. The approval to the erstwhile M/s. Mayura Industries was granted for installation of a connected load of 35 HP/KW at L.T. voltage dated 15-2-2000 **(Unit III)**.

The Factory licenses are issued in the name of the erstwhile Partnership firms, which are now acquired by RMCL. These licenses have been transferred to the name of RMCL.

- (i) Licence bearing licence and registration no. 1463 issued to M/s. Metro Poly Prints to work a factory engaged in manufacture of PP, LD, HD, HM. This licence was issued on 31.12.1999 and expires on 31.12.2005.
- (ii) Licence bearing licence and registration no. 1419 issued to **M/s. Radha Madhav Industries** to work a factory engaged in manufacture of PP, LD, HM bags films sheets, printed unprinted, corrugated boxes sheets boards paper tubes compound stationery. This licence was issued on 28.12.1999 and expires on 31.12.2005.
- (iii) Licence bearing licence and registration no. 1418 issued to **M/s. Mayura Industries** to work a factory engaged in manufacture of Injection Moulding & Blow Moulding Articles Box Strapping and P.P. This licence was issued on 28.12.1999 and expires on 31.12.2005.

The above licenses were renewed every year and transferred on 19.04.2005 in the name of the RMCL (Unit-I, Unit-II and Unit-III respectively).



#### **Labour Laws:**

34. Employees State Insurance Corporation is not in force in the Union Territory of Daman and Diu.
35. Professional Tax is being imposed by the State Government/Union territory. Since the Company falls within the jurisdiction of Union Territory of Daman and Diu & Dadar & Nagar Haveli, tax on Profession has not been imposed.
36. Code No. GJ/VAPI/46651 granted by the Office of Assistant Provident Fund Commissioner Sub Regional Office Vapi vide letter No. GJ/APFC/VAPI/46651/ENF/612 dated May 19, 2005 to Radha Madhav Corporation Limited situated at Survey no. 50/9A Daman Industrial Estate, Village Kadaiya, Daman- 396210.
37. RMCL (Unit III) has applied to the Labour Inspector, Daman for registration of the establishment for employing contract labour vide its letter dated 29th July 2005 bearing Chalan nos. 571/2005, 572/2005 and 573/2005.
38. Registration Certificate dated 11th October 2005 bearing no. LE/LI/DMN/RE-58/CL/2005 issued by the Government of Goa, Daman and Diu under sub-section (2) of Section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 to RMCL situated at Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Nani Daman, for employing contract labour with M/s. Raj Enterprise for the purpose of loading and unloading, material transfer, house keeping and maintenance. This contract for labour is valid upto 31.12.2006.
39. No Objection Certificate No. DMHS/NOC/2005-2006/1350 issued by Deputy Director of Medical & Health Services, Primary Health Centre, Daman to M/s. Metro Poly Prints situated at Survey No. 51/3C, 54/1B, 54/2, Daman Industrial Estate, Kadaiya, Daman vide its letter dated 21-6-2005 for change of Company's name from M/s. Metro Polyprints to Radha Madhav Corporation Limited **(Unit-I)**, Survey No. 51/3C, 54/1B, 54/2, Daman Industrial Estate, Kadaiya, Nani Daman.
40. No Objection Certificate No. DMHS/NOC/2005-2006/1351 issued by Deputy Director of Medical & Health Services, Primary Health Centre, Daman to M/s. Radha Madhav Industries situated at Survey No. 50/9A Daman Industrial Estate, Kadaiya, Daman vide its letter dated 21-6-2005 for change of Company's name from M/s. Radha Madhav Industries to Radha Madhav Corporation Limited **(Unit-II)**, Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Nani Daman.
41. No Objection Certificate No. DMHS/NOC/2005-2006/1352 issued by Deputy Director of Medical & Health Services, Primary Health Centre, Daman to M/s. Mayura Industries situated at Survey No. 54/3A, 54/2D, Daman Industrial Estate, Kadaiya, Daman vide its letter dated 21-6-2005 for change of Company's name from M/s. Mayura Industries to Radha Madhav Corporation Limited **(Unit-III)**, Survey No. 54/3A & 54/2D, Daman Industrial Estate, Kadaiya, Nani Daman.
42. No Objection Certificate No. DMHS/D&D/NOC/2005-2006/11 issued by Deputy Director of Medical & Health Services, Primary Health Centre, Daman- 396220 to M/s. RMCL situated at Survey No. 107/2, 108/1 and 108/2, Village Kadaiya, Daman Industrial Estate, Nani Daman vide its letter dated 11-10-2005 to establish a unit for the manufacture/activities of Printed and Unprinted Multilayered Films, Satches, Pouches, Lamination, Flexible, Packaging Coating tea composite Liners Wrappers, PVDC Coated Films, PVC Film Shrink Steeve Excluding, Extrusion Coating Paper to Polythelane Lamination for Intergrated Packing Excluding Items. The Department has no objection on sanitary point of view in permitting RMCL (Unit-IV) subject to certain conditions, which are mentioned in the No Objection Certificate. This NOC is subject to withdrawal if the conditions stipulated above are not complied with.

#### **Excise:**

43. Central Excise Registration Certificate bearing no. AACCR9357CXM001 dated April 15, 2005 issued by the Assistant Commissioner of Central Excise under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods at Radha Madhav Corporation Limited Unit-I, situated at Survey No. 51-3C, Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210 **(Unit I)**.
44. Central Excise Registration Certificate bearing no. AACCR9357CXM002 dated April 15, 2005 issued by the Assistant Commissioner of Central Excise under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods at Radha Madhav Corporation Limited Unit-II, situated at Survey No. 50-9A, Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210 **(Unit II)**.
45. Central Excise Registration Certificate bearing no. AACCR9357CXM003 dated April 15, 2005 issued by the Assistant Commissioner of Central Excise under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods at Radha Madhav Corporation Limited Unit-II, situated at Survey No. 54-3A, 54-2D, 51-2A, Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210 **(Unit III)**.

**Service Tax:**

46. Allotment Letter issued for allotment of service tax code number-AACCR9357CST001 and location code No. 750503 for deposit of service tax dated 30th May, 2005 by the Assistant Commissioner of Central Excise Division-North Daman to Radha Madhav Corporation Limited Unit-I, Survey No. 51/3-C, Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210.
47. Allotment Letter issued for allotment of service tax code number-AACCR9357CST002 and location code No. 750503 for deposit of service tax dated 30th May, 2005 by the Assistant Commissioner of Central Excise Division-North Daman to Radha Madhav Corporation Limited Unit-II, Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210.
48. Allotment Letter issued for allotment of service tax code number-AACCR9357CST003 and location code No. 750503 for deposit of service tax dated 30th May, 2005 by the Assistant Commissioner of Central Excise Division-North Daman to Radha Madhav Corporation Limited Unit-III, Survey No. 54/3, 54/2D, 51/2A Daman Industrial Estate, Kadaiya, Daman, Daman and Diu, 396210.

**Sales Tax:**

**Central Sales Tax (CST)**

49. Initial certificate of registration bearing no. DA/CST/7163 (Central) dated March 30, 2005, with effect from March 29, 2005, issued by the Asst. Sales Tax Officer, Daman under section 7(1) of the Central Sales Act, 1956 for Survey No. 50/9A, Village Kadaiya (Unit II).

The certificate of registration was issued to dealer for carrying on the business of manufacturing of goods by each of M/s. Metro Poly Prints (**Unit I**), M/s. Radha Madhav Industries (**Unit II**) and M/s. Mayura Industries (**Unit III**) particulars as contained in the certificate are reproduced hereunder: -

**a) "Metro Polyprints (Unit I)**

- (i) For use in manufacture of processing of goods for sale  
List of Raw materials: - LDPE, HDPE, LLDPE, DA, PP, Roll.  
List of Plant & Machinery: - PP Extruder Moulding Cutting and Sealing Machine, Box Strapping.
- (ii) For use in the packing of goods for sale/resale  
List of Packing Materials: - Box Strapping, Patti, PP Sulti BOPP Tape, Packing Paper, Gunny Bags, PP Bags, Corrugated Boxes.
- (iii) The dealer manufactures the following classes of goods namely:  
Poly-Film Tubing Cut-Film, Sheets Bags Printed & Unprinted Box Strapping".

**b) "Radha Madhav Industries (Unit II)**

- (i) For use in manufacture of processing of goods for sale  
List of Raw materials: - Papers (various type), Gum & Starch, Kraft Papers.  
List of Plant & Machinery: - Rewinding Machine, Offset Continuous Computer Stationary Printing Machine, Spiral Winding Paper Tube & Core Machine.
- (ii) For use in the packing of goods for sale/resale  
List of Packing Materials: - Cartons, Sutli/ Ropes.
- (iii) The dealer manufactures the following classes of goods namely:  
Spiral Paper Tubes, Computer Stationary".

**c) "M/s. Mayura Industries (Unit III)**

- (i) For use in manufacture of processing of goods for sale  
List of Raw materials: - HD, HDPE, LD, LLDPE, HM, PVC Granules.  
List of Plant & Machinery: - Blow, SP, Blow and Injection Moulding, Box Strapping, PP Extrusion & Bag Making Machine.
- (ii) For use in the packing of goods for sale/resale  
List of Packing Materials: - Gunny Bags, Corrugated Boxes, Sutli, BOPP Tapes, LD & HM Bags, Box Strapping.





(iii) The dealer manufactures the following classes of goods namely:

Blow Moulding Articles, Injection Moulding Articles, Box Strapping P.P. Tubing Rolls, Sheet, Bag & Films”.

The above approval is amended vide Certificate of Registration no. DA/CST/7163 dated March 30, 2005 with effect from June 21, 2005 issued by the Assistant Sales Tax Officer, Sales Tax Department, Daman in accordance with rule 7(1) of the Central Sales Tax (Registration & Turnover) Rules, 1957 for incorporation therein of additional place of business of the Company situated at Survey No. 51/3C, 54/2 and 54/1B, Daman Industrial Estate, Village Kadaiya, Nani Daman (Unit I) and Survey No. 54/3A, 54/3D, 51/2 and 51/2A, Daman Industrial Estate, Village Kadaiya, Nani Daman (Unit III). This Certificate is valid from 29.3.2005 until cancelled.

The above Certificate of Registration bearing no. DA/CST/7163 issued for Survey No. 50/9-A, I, II and III, Kadaiya Nani Daman, has been amended in accordance with sub rule (1) of Rule 7 of the Central Sales Tax (Registration & Turnover) Rules, 1957 vide its certificate dated 13.10.2005 issued by Deputy Commissioner of Value Added Tax, Daman to include one additional place of business as M/s. RMCL (Unit-IV) situated at Survey No. 107/2, 108/1 and 108/2, Daman Industrial Estate, Kadaiya Nani Daman with effect from 19.07.2005.

50. Initial Certificate of Registration bearing no. DA/7725 (Central) dated March 30, 2005, with effect from March 29, 2005, issued by the Assistant Sales Tax Officer, Daman under Section 11 of the Goa, Daman and Diu (Sales Tax) Act, 1964 for Survey No. 50/9A, Daman Industrial Estate, Kadaiya, Nani Daman (Unit II), also for the two additional places of business at Metro Polyprints situated at Survey No. 51/3C, 54/2 and 54/1B, Daman Industrial Estate, Village Kadaiya, Nani Daman and M/s Mayura at Survey No. 54/3A, 54/3D, 51/2 and 51/2A Daman Industrial Estate, Village Kadaiya, Nani Daman, the same has been amended as under:-

The above approval is amended vide Certificate of Registration bearing no. DA/7725 (Central) dated 24.6.2005, with effect from 21-6-2005, issued by the Assistant Sales Tax Officer, Sales Tax Department, Daman in accordance with rule 15 read with sub-rule (6) of Rule 14 of Daman Ward, under Value Added Tax Rules 2005, for change in name of the additional places of the Company situated at Survey No. 51/3C, 54/2 and 54/1B, Daman Industrial Estate, Village Kadaiya, Nani Daman (Unit I) and Survey No. 54/3A, 54/3D, 51/2 and 51/2A, Daman Industrial Estate, Village Kadaiya, Nani Daman (Unit III).

51. Initial Certificate of Registration bearing TIN No. 2500000/7725 dated March 29, 2005, filed on August 03, 2005, issued for Survey No. 50/9A, I, II and III Kadaiya Nani Daman, has been amended vide its certificate dated 13.10.2005 issued by Deputy Commissioner of Value Added Tax, Daman to include additional place of business as M/s. RMCL (Unit-IV) situated at Serial No. 107/2, 108/1 and 108/2, Daman Industrial Estate, Kadaiya Nani Daman with effect from 19.07.2005.

52. The Certificate of Entitlement dated 10th October, 2005 bearing certificate no. 0391 issued by Deputy Commissioner of Value Added Tax, Daman to Mr. Mitesh Anil Agrawal for RMCL situated at Survey no. 50/9-A I, II, and III, Kadaiya, Nani Daman- 396210. This Certificate of Entitlement is issued pursuant to the order No. DMN/VAT/2005/05-06/25 dated 21.04.2005 for the purpose of manufacturing, processing and assembling of products such as Poly-Film Tubing Cut- Film, Sheets Bags Printed and Unprinted Box Strapping and is valid upto 06.02.2010.

#### **Environment:**

53. Consent bearing reference no. PCC/DDD/WH-607/WA/KY/98-99/136 dated May 4, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under section 25 of Water (Prevention and Control of Pollution) Act, 1974 to establish/ operate/ renew facilities to manufacture box strapping, polyfilms, cut films, tubing bags to M/s Metro Polyprints (erstwhile Unit I). An amendment has been made to the consent, which was given to the erstwhile Unit I, which is now transferred to RMCL at Survey No.51/3C, 54/1-B, 54/2, Daman Industrial Estate, Kadaiya, Daman vide acknowledgement no. PCC/DDD/W-607/WA/KY/98-99/758. Consent is valid up to December 31, 2005.

54. Consent bearing reference no. PCC/DDD/G-2349/WA/KY/99-00/132 dated May 4, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under section 25 of Water (Prevention and Control of Pollution) Act, 1974 to establish/ operate/ renew facilities to manufacture PP, LD, HM bags, films, sheets, printed/unprinted, corrugated boxes, sheets boards, paper tube, computer stationery to M/s Radha Madhav Industries (erstwhile Unit II). An amendment has been made to the consent which given to the erstwhile Unit II which is now transferred to RMCL at Survey No.54/3-A, Daman Industrial Estate, Kadaiya, Daman vide acknowledgement no. PCC/DDD/G-2349/WA/98-2000/756. Consent is valid up to April 30, 2007.

55. Consent bearing reference No. PCC/DDD/WH/1968/KY/WA/99-2000/620 dated June 20, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 25 of Water (Prevention and Control of Pollution) Act, 1974 to M/s Mayura Industries to establish/operate/renew facilities to manufacture blow moulding articles and box strappings and PP bags (Injection moulding and extrusion) at Survey No. 54/3-A, Daman Industrial Estate, Kadaiya, Daman **(Unit III)**.

56. Consent bearing reference No. PCC/DDD/G-4147/WA/KY/05-06/1026 dated October 03, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 25 of Water (Prevention and Control of Pollution) Act, 1974 to M/s RMCL (Unit-IV) to establish facilities to manufacture BOPP Self Adhesive Tapes, printed and unprinted Multi layered films, Satchets, Lamination, Flexible packaging coating tea composite liners wrappers, PVDC coated films, PVC films shrink steeve excluding extrusion coating paper to polyethylene, Lamination for integrated packing, excluding items reserved for SSI at Survey No. 107/2, 108/1 and 108/2 Daman Industrial Estate, Kadaiya, Daman **(Unit IV). This consent is valid upto 31.08.06.**
57. Consent bearing reference No. PCC/DDD/W-607/KY/AA/98-99/1028 dated October 03, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 to M/s RMCL (Unit-I) to establish facilities to manufacture Box strapping, Poly films, Tubings, Bags cut films at Survey No. 51/3C, 54/1B and 54/2 Daman Industrial Estate, Kadaiya, Daman. **This consent is valid upto 31.08.06.**
58. Consent bearing reference No. PCC/DDD/G-2349/KY/AA/99-00/1024 dated October 03, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 to M/s RMCL (Unit-II) to establish facilities to manufacture PP, LD, HM Bags Films, sheets, printed/unprinted, corrugated box sheets boards paper tube, computer stationery at Survey No. 50/9-A, Daman Industrial Estate, Kadaiya, Daman **(Unit II). This consent is valid upto 31.08.06.**
59. Consent bearing reference No. PCC/DDD/W-1968/KY/AA/99-00/1025 dated October 03, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 to M/s RMCL (Unit-III) to establish facilities to manufacture Blow Moulding articles and Injection moulding articles and Boxstrapping and PP bags at Survey No. 51/3A, 54/2D, Daman Industrial Estate, Kadaiya, Daman **(Unit III). This consent is valid upto 31.08.06.**
60. Consent bearing reference No. PCC/DDD/G-4147/WA/KY/05-06/1154 dated October 13, 2005 issued by Member Secretary, Pollution Control Committee, Daman & Diu and Dadra and Nagar Haveli, granted under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 to M/s RMCL (Unit-IV) to establish facilities to manufacture BOPP Self Adhesive Tapes, Printed and unprinted Multi layered Films, Satchets, Pouches, Lamination, Flexible packaging coating tea composite liners wrappers, PVDC coated films, PVC Films shrink steeve excluding extrusion coating paper to polythene Lamination for integrated packing, excluding items reserved for SSI-36000 TPA situated at Survey No. 107/2, 108/1 and 108/2 Daman Industrial Estate, Kadaiya, Daman **(Unit IV). This consent is valid upto 30.09.06.**
61. No Objection Certificate dated 22nd August 2005 bearing no. MVP/NOC/F-7/2005-2006/243 issued by Sarpanch Marwad Group Gram Panchayat, Marwad Nani Daman, to M/s. RMCL (Unit-IV) situated at Survey No. 107/2, 108/1 and 108/2 Daman Industrial Estate, Kadaiya, Nani Daman to set up the small sealed industries for the purpose of manufacturing products of any type of plastic product, paper product and printing activity in the district of Daman.

**Others:**

62. Certification of Audit for DIN EN ISO 9001:2000 Quality Management System of RMCL conducted by TUV Rheinland Group on 10th June 2005 for manufacture of plastic packaging products and laminated mono cartons.
63. Application No. 1346851 has been made by RMCL dated 24th March 2005 through M.P Mirchandani for registration of logo of RMCL located at Survey No. 50/9A, Daman Industrial Estate, Village Kadaiya, Daman-396210.

**We are yet to apply for the following approvals for our new Unit IV:**

Sr. No.	Approval/Consent	Concerned Authority	Remarks
1	Factory License	Chief Inspector of Factories, Daman & Diu, Daman	Will be applied in due course of time
2	Consent to install DG Set,	Executive Engineer, Electricity Department Daman	Will be applied after the approval of power and commissioning of DG Set
3	Consent Committee, to install DG Set, Under Air (Prevention and Control of Pollution) Act, 1981	Member Secretary, Pollution Control Committee, Daman & Diu, Daman.	Will be applied after getting consent from Electricity Department Daman
4	Consent to install Boiler, Under Air (Prevention and Control of Pollution) Act, 1981	Member Secretary, Pollution Control Committee, Daman & Diu, Daman	Will be applied after installation of Boiler



<b>Sr. No.</b>	<b>Approval/Consent</b>	<b>Concerned Authority</b>	<b>Remarks</b>
5	Consent to Boiler	Government of India, Mumbai, Ministry of Commerce and Industry, Department of Explosives, Navi Mumbai	Will be applied in due course of time.
6	Permission to construct factory Building	Town Planner	Will be applied in due course of time.
7	Central Excise Registration	Deputy Commissioner of Central Excise	Will be applied in due course
8	Service Tax Registration	Deputy Commissioner of Central Excise	Will be applied after getting Central Excise Registration
9	Import Export Code Registration	Office of Jt. Director General of Foreign Trade Ministry of Commerce Government of India, Mumbai	Will be applied after getting Central Excise Registration

As certified by the Legal Advisor to the Issue, except as stated above, our Company has received all the necessary consents, licenses, permissions and approvals from the Government/RBI and various government agencies, which are required for our present business and no further approvals are required for carrying on the present business activities of our Company.

It must, however, be distinctly understood that in granting the above consents/licenses/ permissions/approvals, the Government does not take any responsibility for the financial soundness of our Company or for the correctness of any of the Statements or any commitments made or opinions expressed.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue and Details of the Resolution Passed for the Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the EGM of our Company held on June 10, 2005. The Board of Directors of our Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on June 02, 2005.

### Prohibition by SEBI

Our Company, our directors, any of our Associates or Group Companies, and Companies with which the directors of Issuer are associated, as directors or Promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI. The listing of any securities of the Issuer has never been refused at anytime by any of the stock exchanges in India.

Further, we confirm that neither our company nor our promoters, their relatives and our group concerns are not detained as willful defaulters by RBI / Government Authorities and there are no violations of securities laws committed in past or pending against us.

### Eligibility for the Issue

Our Company is an unlisted Company and this Issue is being made in terms of clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, wherein:

- a). The "project" has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.
- b). The minimum post-issue face value capital of our Company shall be Rs. 10 Crores.

Our project is being appraised by State Bank of India and the project is having about 47.95% participation by Scheduled Commercial Banks, of which about 29.57% participation is from the appraiser i.e. State Bank of India.

Further, our post-issue face value capital shall be Rs. 1,709.00 Lacs

Our Company undertakes that the number of allottees in the proposed Issue shall be atleast 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

### SEBI DISCLAIMER CLAUSE

As required, a copy of this Prospectus has been submitted to SEBI.

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 PROSPECTUS. LEAD MANAGER, UTI SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES 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 THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, UTI SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 26, 2005 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS:**

- (I) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- (II) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**



**WE CONFIRM THAT:**

- (A) THE DRAFT PROSPECTUS FORWARDED TO SEBI 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 GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**
- (D) BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID.**
- (E) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**

**THE FILING OF PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN PROSPECTUS.**

**Caution**

Our Company, our directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including our Company's web site, [www.rmclindia.co.in](http://www.rmclindia.co.in), would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager and Our Company and the Underwriting Agreement to be entered into between the Underwriters and Radha Madhav Corporation Ltd..

All information shall be made available by our Company, the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centers or elsewhere.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three); Hindu Undivided Families through the Karta of the Hindu Undivided Family; Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares; Indian Mutual Funds registered with SEBI; Indian Financial Institutions & Banks; Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any; State Industrial Development Corporations; Insurance Companies registered with Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs.2500 Lacs; Pension Funds with minimum corpus of Rs.2500 Lacs; Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company; Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from Reserve Bank of India; Permanent and Regular employees of the Company; Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs) on repatriation / non-repatriation basis. This Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Daman only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted to SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of or at any time subsequent to this date.

### **Disclaimer Clause of BSE**

[As required, a copy of this Prospectus has been submitted to BSE. BSE has given vide its letter dated October 07, 2005, permission to the Company to use BSE's name in this Prospectus as one of the stock exchange on which our further securities are proposed to be listed. BSE has scrutinised this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or
- (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Filing of Prospectus with the Board and the Registrar of Companies**

A copy of this Prospectus has been filed with SEBI, Mumbai. A copy of the Prospectus, along with the material contracts and documents required to be filed under Section 60 of the Companies Act have been delivered for registration to the Registrar of Companies, Goa, Daman & Diu, Company Law Bhawan, EDC Complex, Plot No. 21, Patto Plaza, Panaji, Goa.

### **Listing**

The Equity Shares to be issued through this Prospectus are proposed to be listed on BSE and listing application has been made to BSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company.

In case, the permission for listing and or dealing & official quotation of the Equity Shares is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then our Company and every director of our Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

### **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:**

**“Any person who:**

- a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

**shall be punishable with imprisonment for a term which may extend to five years.”**

### **Consents**

The written consents of Directors, Compliance Officer, Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Auditors, Tax Auditors and Bankers to the Company to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, Goa, Daman & Diu at Goa as required under Section 60 of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration.

### **Expert Opinion**

Our Company has not obtained any expert opinions related to the present Issue, except the opinion of the Tax Auditors, H. P. Shah Associates., Chartered Accountants on the tax benefits available to the investors.



## Public Issue Expenses

Public Issue expenses are estimated as follows:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1	Fees of Lead Manager, Registrar, Legal Advisor, Auditors, Tax Auditors, etc.	30
2	Printing & Stationery, Distribution, Postage, etc.	22
3	Underwriting Commission, Brokerage & Selling Commission	60
4	Advertisement & Marketing Expenses	30
5	Other Expenses (incl. Filing Fees, Listing Fees, Depository Charges, etc.)	02
6	Contingencies	06
	<b>Total</b>	<b>150</b>

### Fees Payable to Lead Manager to the Issue

The total fees payable to the Lead Manager including underwriting commission for the Issue will be as per the Memorandum of Understanding executed between our Company and the Lead Manager dated 3rd July 2005, a copy of which is available for inspection at the Registered Office of our Company.

### Fees Payable to Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between our Company and the Registrar to the Issue dated 23rd June 2005, a copy of which is available for inspection at the Registered Office of our Company.

The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc.

Adequate funds will be provided to the Registrar to the Issue by our Company to enable them to send refund orders or Allotment advice by registered post.

### Underwriting Commission, Brokerage and Selling Commission

The Underwriting Commission will be paid not more than 1.5% of the Public Issue Size.

Brokerage for the Issue will be paid not more than @ 1.5% of the Issue Price of the Equity Shares by Our Company on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/ Agents' codes on the application form, our decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

Our Company, at sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by our Company.

### Previous Public or Rights Issues (during the last five years)

Our Company has not made any public or rights issue since inception.

### Previous Issue of Shares Otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash.

### Commission or Brokerage on Previous Issues

Our Company has not made any public or rights issue since inception.

### Particulars in regard to our Company and other listed companies under the same management within the meaning section 370 (1)(B) of the Companies Act, 1956 which made any capital Issue during the last three years

Neither our Company, nor any other listed companies under the same management within the meaning section 370 (1) (B) of the Companies Act, 1956, has made any capital Issue during the last three years.

**Promise vis-à-vis Performance**

Since, our Company has not made any public issue in past, Promise vis-à-vis Performance is not applicable to us.

**Listed Ventures of Promoters**

Our promoters do not have any listed ventures.

**Outstanding Debentures or Bonds and Redeemable Preference Shares and Other Instruments issued by us, which are outstanding as on the Date of Prospectus and Terms of Issue**

We have not made any public or rights Issue of Debentures, Redeemable Preference Shares or any other instruments, nor do we hold any Public Deposits.

**Stock Market Data for our Equity Shares**

Currently, our Equity Shares are not listed / quoted on any of the Stock Exchanges.

**Mechanism Evolved for Redressal of Investor Grievances**

The Registrar to the Issue i.e. Intime Spectrum Registry Ltd. will handle investors' grievances pertaining to this issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to our Company. Our Company would also be coordinating with the Registrars to the issue in attending to the grievances of the investors. Our Company assures that the Registrars, in respect of the complaints, if any, to be received, shall adhere to the following schedules-

Sr. No.	Nature of the Complaint	Time Taken
1	Non-receipt of the refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2	Change of Address notification	Within 7 days of receipt of information.
3	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Our Company has appointed Mr. Sanjay Agarwal, Manager – Accounts & Banking, as Compliance Officer who would directly liaise with SEBI with respect to implementation/ compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/ post issue related problems. The Compliance officer will be available at the Registered Office of our Company.

**Changes in Auditors during the Last Three Years and Reasons thereof**

Since inception of our Company i.e. January 07, 2005; M/S H. P. Shah Associates are our Auditors

**Capitalisation of Reserves or Profits (during last five years)**

No reserves or profits have been capitalized during last five years

**Revaluation of Assets, if any**

None of the assets of our Company have been revalued.



## TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Prospectus, Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by us after the date of Allotment.

### Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

### Face Value and Price Band

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Prospectus at a total price of Rs. 20/- per Equity Share, which is 2 times of the Face Value. At any given point of time there shall be only one denomination for the Equity Shares.

### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- i. Right to receive dividend, if declared.
- ii. Right to attend general meetings and exercise voting rights, unless prohibited by law.
- iii. Right to vote on a poll either personally or by proxy.
- iv. Right to receive offer for rights shares and be allotted bonus shares, if announced;
- v. Right to receive surplus on liquidation.
- vi. Right of free transferability; and
- vii. Such other rights, as may be available to a shareholder of a listed public Ltd. company under the Companies Act, Listing Agreement with the Stock Exchanges and Articles of Association of our Company.

For further details on the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to section titled "Main Provisions of Articles of Association of the Company" on page 140 of this Prospectus.

### Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of one Equity Share subject to a minimum Allotment of 300 Equity Shares.

### Nomination Facility to Investor

In accordance with Section 109A of the Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the Case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall in accordance with Section 109A of the Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed Form available on request at the Registered Office of the Company or at the Registrar and Share Transfer Agent of the Company.



In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Minimum Subscription**

If we do not receive the minimum subscription of 90% of the Net Issue to the Public including devolvement of Underwriters within 60 days from the date of closure of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

#### **Withdrawal of the Issue**

Our Company in consultation with the Lead Manager reserves the right not to proceed with the Issue, any time after the Issue opening date but before allotment without assigning any reason thereof.

#### **Period of Subscription**

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.

#### **Arrangements for Disposal of Odd Lots**

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

#### **Restrictions on transfer/transmission of Equity Shares**

Except as stated otherwise in this Prospectus, there are no restrictions on transfer and transmission of our Equity shares and on their consolidation/splitting





## ISSUE PROCEDURE

### Authority for the Present Issue

Present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the EGM of our Company held on June 10, 2005. The Board of Directors of our Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on June 02, 2005.

### Reservations

- 1) Reservation on competitive basis has been made in the Public Issue for:
  - Permanent Employees of our Company including Whole-time Directors for 10,00,000 Equity Shares, and
  - NRIs and/or FIIs, applying on repatriation basis for 25,00,000 Equity Shares.
- 2) Reservation on competitive basis shall mean reservation wherein allotment of Equity Shares is made in proportion to the shares applied for by the concerned reserved categories.
- 3) Person(s) belonging to NRIs and/or FIIs Category shall not make an application in the 'Net Issue to the Public' category.

### Application may be made by:

- a) Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three)
- b) Hindu Undivided Families through the Karta of the Hindu Undivided Family
- c) Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Shares
- d) Indian Mutual Funds registered with SEBI
- e) Indian Financial Institutions & Banks
- f) Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.
- g) State Industrial Development Corporations
- h) Insurance Companies registered with Insurance Regulatory and Development Authority
- i) Provident Funds with minimum corpus of Rs.2500 Lacs
- j) Pension Funds with minimum corpus of Rs.2500 Lacs
- k) Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorised under its constitution to hold and invest in Equity Shares of a Company
- l) Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India
- m) Permanent and Regular employees of our Company
- n) Non-Resident Indians (NRIs) on repatriation / non-repatriation basis
- o) Foreign Institutional Investors (FIIs) on repatriation basis

### Applications not to be made by:

- a) Minors
- b) Partnership firms or their nominees
- c) Foreign Nationals (except NRIs)
- d) Overseas Corporate Bodies (OCBs)

### Applications by Hindu Undivided Families (HUF)

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

### Application Form

Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	Colour of Application Form
Indian Public including eligible NRIs applying on non-repatriation basis	White
Permanent Employees including Whole-time Directors	Pink
NRIs / FIIs applying on repatriation basis	Blue
QIBs	Green

### Minimum and Maximum Application Size

Applications should be for minimum of 300 Equity Shares and in multiples of 300 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In the case of reserved categories, a single applicant in the reserved category can make an application for a number of Equity Shares, which exceeds the reservation.

Under existing SEBI guidelines, a QIB applicant cannot withdraw its application after the Issue Closing Date.

### Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

### Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue, Underwriters to the Issue and at the collection centres of the Bankers to the Issue, as mentioned on the Application Form.

NRIs / FIIs can obtain the Application Form from the registered office of our Company.

### Applications under Power of Attorney

In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of trusts, Provident Funds, Superannuation Funds, Gratuity Funds; a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.

Our Company in absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

### Instructions for Applications by Permanent Employees of our Company including Whole-time Directors:

Reservation on competitive basis has been made in the Public Issue to the permanent employees including Whole-time Directors of the Company. Reservation on competitive basis shall mean reservation wherein allotment of shares is made in proportion to the shares applied for. For the purpose of the Employee Reservation Portion, Eligible Employee means permanent employees/Whole-time Directors of our Company, who are Indian Nationals, are based in India and are physically present in India on the date of submission of the Application Form.

#### 1. Application must be made only:

- a) On the prescribed Application Form (Pink in colour) accompanying this Prospectus and completed in full in BLOCK LETTERS in English, except signature(s) in accordance with the instructions contained herein and in the application form and is liable to be rejected if not so made;
- b) For a minimum of 300 Equity Shares and in multiples of 300 Equity Shares thereafter;
- c) In single name or joint names (not more than three), however first applicant should be permanent / regular employee of the Company.



- Eligible Employees, as defined above, should mention the following at the relevant place in the Application Form, in addition to other details contained therein:

**Employee Number**

- A single applicant in the reserved category can make an application for a number of shares that are being issued to employees in terms of this issue. Payment should be made in cash or by cheque/Bank Draft drawn on any bank (including a Co-operative Bank) which is situated at and is a Member or Sub-member of the Banker's Clearing House located at the place where the application is submitted.
- A separate cheque or Bank draft shall accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders/Postal Orders will not be accepted.
- All Cheques or Bank Drafts must be payable in the favour of " \_\_\_\_\_ Bank A/c. RMCL – Public Issue – Employees" and crossed "Account Payee Only".
- All application Forms duly completed together with cash/ cheque/bank draft for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Issue named herein or to any of their branches mentioned on the reverse of Application Form, and NOT to the Company or to the Lead Managers to the Issue or to the Registrars to the Issue.
- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgment slip at the bottom of each application form.
- All Cheques/Bank Drafts accompanying the application form should contain the Application Form Number on the reverse of the instrument.
- The applicant should fill in the details of his/her bank account in the space provided in the application form failing which the application is liable to be rejected.
- Applicants residing at places where designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai only payable to " \_\_\_\_\_ Bank A/c. RMCL – Public Issue – Employees" to Registrar to the Issue.
- Application by Eligible Employees can also be made in the "Net Issue to the Public" Portion and such Applications shall not be treated as multiple Applications.
- Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the Net Issue to the Public.

**Instructions for Applications by NRIs/FIIs (on Repatriable Basis):**

- As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.
- However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.
- In case of application by NRIs on repatriation basis, the payments must be made through Indian rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to NRE or FCNR account.
- In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.
- Duly filled Application Forms by NRIs / FIIs will be accepted at designated branches of the Bankers to the Issue at Mumbai and New Delhi only.

6. Refunds/dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges / commission. In case of applicants who remit their application money from funds held in NRE / FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.
7. Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

**Terms of Payment**

The entire Issue price of Rs. 20/- per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, our Company shall refund the excess amount paid on application to the applicants.

**General Instructions for Applicants**

1. Thumb impressions and signatures other than in English/ Hindi/ Marathi or any other language 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 his / her official seal.

**2. Bank Account Details of Applicant**

The name of the Applicant, Depository Participant's name, Depository Participant's Identification (DPID) number and the Beneficiary number provided by the Depository participant must be mentioned correctly in the Application Form at the appropriate place. The Registrar will obtain the Demographic details such as Address, Bank account details and occupation from the depository participants. The refunds, if any, will be printed with the Bank details as given by the Depository participant.

3. Applicants should write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.
4. Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non-Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.

**Payment Instructions**

1. Payments should be made in cash or cheque or bank draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or a sub-member of the Bankers' "Clearing House", located at the Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. In case payment is effected in contravention of the conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon.
2. Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.
3. A separate cheque / bank draft must accompany each application form.
4. All cheques / bank drafts accompanying the application should be crossed "**A/c Payee Only**" and made payable to the Bankers to the Issue and marked:

Category of Application	Cheques / Bank Drafts favouring
Indian Public including eligible NRIs applying on non-repatriation basis	"_____ <b>Bank A/c. RMCL – Public Issue</b> "
Permanent Employees including Whole-time Directors	"_____ <b>Bank A/c. RMCL – Public Issue – Employees</b> "
NRIs/ FIIs on repatriation basis	"_____ <b>Bank A/c. RMCL – Public Issue – NR</b> "
QIBs	"_____ <b>Bank A/c. RMCL – Public Issue – QIB</b> "



5. Investors will not have facility of applying through stockinvest instruments as RBI has withdrawn the stockinvest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/ 2003-04 dated 5/11/2003.

#### **Submission of Completed Application Forms:**

All applications duly completed and accompanied by cash/ cheques/ bank drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue. Application(s) should not be sent to the office of our Company or the Lead Manager to the Issue or the Registrars to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, Intime Spectrum Registry Ltd., superscribing the envelope "Radha Madhav Corporation Limited – Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Mumbai only.

Our Company will not be responsible for postal delays and loss in transit. Our Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

Applications shall be deemed to have been received by our Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

#### **Other Instructions**

##### **1. Joint Applications in case of Individuals**

Applications may be made in single or joint names (not more than three). In case of Joint Applications, refund, pay orders, dividend warrants etc. if any, will be drawn in favour of the first applicant and all communications will be addressed to the first applicant at her/his address as stated in the application form.

##### **2. Multiple Applications**

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same.

NRIs/ FIIs applying on a repatriation basis shall not make an application in the public category and such applications made in both the categories i.e. reserved category and Public Category shall be treated as multiple applications.

Our Company reserves the right to accept or reject, in absolute discretion, any or all-multiple applications. Unless our Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/draft must accompany each application form.

##### **3. PAN / GIR Number**

Where application(s) is/are for Rs.50,000 or more, the applicant or in the case of a applicant in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.** In case the Sole/First applicant and Joint applicant(s) is/are not required to obtain PAN, each of the applicant(s) shall mention "Not Applicable" and in the event that the sole applicant and/or the joint applicant(s) have applied for PAN which has not yet been allotted each of the applicant(s) should mention "Applied for" in the Application Form. Further, where the applicant(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Applicant and each of the Joint Applicant(s), as the case may be, would be required to submit Form 60(Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Applicants are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

#### 4. Right to Reject the Applications

Our Company and the Lead Manager reserve the right to reject any application without assigning any reason therefor in case of QIBs. In case of Non-Institutional Applicants and Retail Individual Applicants, we have a right to reject applications based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Applicant's address at the Applicants risk.

#### 5. Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:-

- i. Amount paid does not tally with the amount payable for the value of Equity Shares applied for;
- ii. Age of first applicant not given;
- iii. 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;
- iv. NRIs, except eligible NRIs and Non-Residents;
- v. Applications by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
- vi. PAN not stated if Application is for Rs. 50,000 or more and GIR number given instead of PAN;
- vii. Copy of PAN card or PAN allotment letter is not enclosed if the application is for more than Rs.50,000/-.
- viii. Applications for number of Equity Shares, which are not in multiples of 300;
- ix. Category not ticked;
- x. Multiple Applications as defined in this Prospectus;
- xi. In case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xii. Applications accompanied by stockinvest/money order/postal order/cash (wherever applicable);
- xiii. Signature of sole and/or joint Applicants missing;
- xiv. Application Form does not have the Applicant's depository account details;
- xv. Application Form is not delivered by the Applicant within the time prescribed as per the Application Form, Issue Opening Date advertisement and this Prospectus and as per the instructions in this Prospectus and the Application Form;
- xvi. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
- xvii. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations.
- xviii. Applications by OCBs; and
- xix. Applications by U.S. persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act;

#### 6. Equity Share in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Share of our Company can be held in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

Successful allottees in this Issue will be compulsorily allotted Equity Shares in dematerialised form. In this context, two tripartite agreements have been signed between our Company, the Registrar to the Issue and the Depositories:

1. An Agreement dated September 30, 2005 between our Company, NSDL and Intime Spectrum Registry Ltd., Registrar to the Issue; and
2. An Agreement dated October 24, 2005 between our Company, CDSL and Intime Spectrum Registry Ltd., Registrar to the Issue.





All investors can seek allotment only in dematerialised mode. However, an investor will have an option to hold the shares in physical form or demat form. After the allotment in the proposed Issue, allottees may request their respective DPs for rematerialization of shares if they wish to hold shares in physical form. Applications without relevant details of his or her depository account are liable to be rejected.

- a) An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.
- b) The Applicant must necessarily fill in the details (including the Beneficiary Account No. and DP ID No.) in the Application Form.
- c) Equity Shares allotted to an applicant in the electronic account will be credited directly to the respective Beneficiary Accounts (with the DP)
- d) Name(s) in the share Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) The Registrar to this Issue will directly send non-transferable Allotment Letters/ Refund Orders to the Applicant.
- f) Application will be liable to be rejected if incomplete or incorrect details are given under the heading 'Request for shares in electronic form' in the Application Form.
- g) The applicant is responsible for the correctness of the Applicant's demographic details given in the Application Form vis-à-vis those with his/ her DP.
- h) It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. BSE, where the Equity Shares of our Company are proposed to be listed is connected to NSDL and CDSL.
- i) Trading in the Equity Shares of our Company would be in only dematerialised form for all investors.

**7. Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.**

***For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully.***

**Disposal of Applications and Application Money**

Our Company reserves, in own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded. Refund will be made by cheques or demand drafts drawn in favour of the sole/first applicant (including the details of his/her savings/current account number and the name of the bank with whom the account is held) to the Issue and will be despatched by Registered Post/ Speed Post for amounts above Rs.1,500 and by Certificate of Posting otherwise. Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and our Company shall not have access to such funds unless approval for dealing from BSE, where listing has been proposed, is received.

Our Company has undertaken to make adequate funds available to the Registrar to the Issue for complying with the requirements of despatch of Allotment Letters/Refund Orders by Registered Post/Speed Post.

**Interest on Excess Application Money**

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment and unpaid calls will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

**Basis of Allotment**

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director / Managing Director of BSE along with the Lead Manager and the Registrar to the Issue



shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the following guidelines:

**Proportionate Allotment Procedure**

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 300 Equity Shares.

**Reservation for Retail Individual Investor**

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:

- a. At least 10,00,000 Equity Shares shall be allotted to QIBs
- b. 10,00,000 Equity Shares are reserved for allotment on competitive basis to Permanent Employees of our Company including Whole-time Directors
- c. 25,00,000 Equity Shares are reserved for allotment on competitive basis to NRIs and/or FIIs, applying on repatriation basis
- d. Unsubscribed portion in any reserved category may be added to any other reserved category. The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the Net Issue to the Public.
- e. A minimum 50% of the Net Issue to the Public shall initially be made available for allotment to Retail Individual Investors, as the case may be.
- f. The balance Net Issue to the Public shall be made available for allotment to:
  - I. individual applicants other than retail individual investors, and;
  - II. other investors including Corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.
- g. Spill over from QIBs' category, shall, at the sole discretion of our Company in consultation with the Lead Manager, be allowed to meet under-subscription, if any, in categories for Non-Institutional Investors and Retail Individual Investors.
- h. Further, unsubscribed portion in either of Non-Institutional Investors or Retail Individual Investors category shall be added to the other category interchangeably.

The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of BSE (designated stock exchange). The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (designated stock exchange) and the public representative in addition to the Lead Manager, our Company and the Registrar to the Issue.

**Letters of Allotment or Refund Orders**

Our Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalisation of the basis of allotment of Equity Shares. Our Company Shall dispatch refund orders, if any, of value up to Rs.1,500, by "Under Certificate of Posting", and will dispatch refund orders above Rs.1,500, if any , by registered post or speed post at the sole or first applicant's sole risk. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made within 30 days from the Issue closing date
- Dispatch of refund orders will be done within 30 days from the Issue closing date
- Our Company shall pay interest at 15% per annum (for delay beyond 30 day time as mentioned above), if refund orders are not dispatched and/or demat credit are not made to investors within the 30 day time 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 or pay-orders drawn on the bank(s) appointed by our Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.



### **Despatch of Refund Orders**

Our Company shall ensure despatch of Refund Orders of value up to Rs.1500/- Under Certificate of Posting & Refund Orders of value over Rs.1500/- and Share Certificates by Registered Post only. Further, adequate funds for the said purpose shall be made available to the Registrar by our Company.

### **Interest in Case of Delay in Dispatch of Allotment Letters / Refund Orders**

Our Company agrees that as far as possible allotment of Equity Shares offered to the public shall be made within 30 days of the closure of Public Issue. Our Company further agrees that we shall pay interest @15% per annum if the allotment letters/ refund orders have not been despatched to the applicants within 30 days from the date of the closure of the Issue. However applications received after the closure of Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

### **Undertaking by our Company:**

Our Company undertakes:

- i. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. that all steps for completion of the necessary formalities for listing and commencement of trading at stock exchange where the Equity Shares are to be listed are taken within seven working days of finalisation of basis of allotment.
- iii. that the funds required for despatch of refund orders/ allotment letters/certificates by registered post shall be made available to the Registrar to the Issue by our Company.
- iv. that the certificates of the Equity Shares / refund orders to the non-resident Indians shall be despatched within specified time.
- v. that no further Issue of Equity Shares shall be made till the Equity Shares issued through this Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

### **Utilization of Issue Proceeds**

#### **The Board of Directors of our Company certifies that:**

- a. all monies received out of this Issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73;
- b. details of all monies utilized out of the Issue referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of our Company indicating the purpose for which such monies had been utilized; and
- c. details of all unutilized monies out of the Issue of Equity Shares, if any, referred to in sub-item(a) shall be disclosed under an appropriate separate head in the balance-sheet of our Company indicating the form in which such unutilized monies have been invested.

#### **The Board of Directors of the Company further certifies that:**

- i. the utilisation of monies received under reservations shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised.
- ii. the details of all unutilised monies out of the funds received under reservations shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

Our Company undertakes that we shall not access the money raised in the Issue till finalisation of basis of allotment or completion of offer formalities.

### **Restrictions on Foreign Ownership of Indian Securities**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign direct investment in Packaging Industry is permitted up to 100% under the automatic route.

### **Subscription by NRIs/FIIs**

There is reservation for NRIs and/or FIIs applying on repatriation basis. Further, NRIs applying on non-repatriation basis will be treated on the same basis as Indian Public for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

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 or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "Qualified Institutional Buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

**As per the current regulations, the following restrictions are applicable for investments by FIIs:**

No single FII can hold more than 10% of our post-issue paid-up capital (i.e., 10% of 17,090,000 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

The above information is given for the benefit of the Investors. We, the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



## MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The Articles of Association of our Company, inter alia, includes following clauses:

### INCREASE IN CAPITAL

4. Our Company in General meeting may, from time to time, by an ordinary Resolution increase the capital by the creation of new shares, the increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors 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 in conformity with section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of section 97 of the Act.

### NEW CAPITAL SAME AS EXISTING CAPITAL

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payments of calls and installments, forfeiture, lien, surrender, transfer and transmission voting, dividend or otherwise.

### REDEEMABLE PREFERENCE SHARES

6. Subject to the provisions of section 80 of the Act, the company shall have the power to issue Preference Shares, which are, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

### PROVISIONS TO APPLY ON ISSUE OF REDEEMABLE PREFERENCE SHARE

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:
  - (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
  - (b) No such shares shall be redeemed unless they are fully paid;
  - (c) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
  - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividends be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the Provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

### REDUCTION OF CAPITAL

8. The company may (subject to the provisions of sections 78, 80, and 100 to 105 inclusive of the Act) from time to time by Special Resolution reduce its share capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law, and in particular capital may be paid-off on footing that it may be call upon again or otherwise. This Article is not derogate from any power the Company would have, if it were omitted.

### BUY- BACK OF SHARES

#### 8A. Company Power to purchase its own shares

"Subject to the provisions of sections 77A, 77AA and 77B of the Act, the Company may purchase its own shares or other specified securities referred to as buy-back out if its free reserves or the securities premium account or the proceeds of any shares or other specified securities. No buy-back of any kind of shares or other specified securities will be made out of the proceeds of an earlier issue of the same kind of shares or same kind or other specified securities."

### SUB-DIVISION, CONSOLIDATION, AND CANCELLATION OF SHARES

9. Subject to the provisions of section 94 of the Act, the Company in general meeting may, from time to time, consolidate all or any of its shares capital into shares of larger amount than its existing shares or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the memorandum and 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 advantages as regards dividend, capital or otherwise over or as compared with the others or other. Subject to as aforesaid the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### MODIFICATION OF RIGHTS

10. If at any time share capital, by reason of the issue of Preference Share or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 and 107 of the Act and whether or not the Company is being wound-up be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power, which the Company would have if these Articles were omitted. The provisions of these Articles relating to general meeting shall, mutatis mutandis, apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.

#### BOARD MAY ACCEPT SURRENDER OF SHARES

11. Subject to the provisions of sections 100 to 105(inclusive) of the Act, the Board may accept from any member on such terms and conditions as shall be agreed a surrender of all or any of this shares.

#### REGISTER AND INDEX OF MEMBERS

12. Our Company shall cause to be kept a Register and Index of Members in accordance with sections 150 and 151 of the Act. Our Company shall be entitled to keep in any state or country outside India a Branch Register of Members residents in that state or country.

#### SHARES TO BE NUMBERED PROGRESSIVELY AND NO SHARES BE SUB-DIVIDED

13. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub- divided. Every forfeited or surrendered shares shall continue to bear the number by which the same was originally distinguished.

#### FURTHER ISSUE OF SHARES

14. (1) Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of the unissued capital or out of the increased 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 the circumstances admit, to the capital paid up on those shares at the date.
  - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them 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 any 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 off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
- (2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
  - (a) If a special resolution to that effect is passed by the Company in General Meeting, to issue shares on preferential basis or to issue sweat equity Shares or ESSOP to the Directors or its employees as per Rules Regulation in that behalf for the time being in force.



- (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 the 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 debenture 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 terms:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General meeting before the issue of the debentures or raising of the loans.

#### SHARES AT THE DISPOSAL OF THE DIRECTORS

- 15. (a) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
- (b) Subject to and in accordance with all applicable provisions of the Act as in force from time to time the Company shall have power to purchase any of its own shares whether or not they are redeemable and may make payment out of capital in respect of such purchase.

#### POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

- 16. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15, the Company in General Meeting in accordance with provisions of section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether member or not) in such proportion and on such terms and condition and either (subject to compliance with the provisions of section 78 and 79 of the Act) at a premium or at par or at discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

#### ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

- 17. Subject to these Articles and the provisions of the Act, the Board may issue and allot shares in the capital of the Company as payment or in consideration or as part payment or in part consideration of the purchase or acquisition of any property or for services rendered to the Company in promotion of the Company or in the conduct of its business and shares which may be so issued or allotted shall be credited or deemed to be credited as fully paid-up shares.



#### LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

18. Every member shall be entitled for share certificate/s and the Company shall complete and have ready for delivery such certificates within two 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 may be. 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 and such Share Certificates shall be issued in marketable lot. Our Company may issue shares in demat form by crediting the accounts of allottees by e mode instead of physical certificate.

#### DEPOSIT AND CALL ETC. TO BE A DEBT PAYABLE IMMEDIATELY

19. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall, immediately on the insertaion of the name or the name of the allottee in the Registers of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

#### LIABILITY OF MEMBERS

20. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Company's regulations require or fixed for the payment thereof.

#### SHARE CERTIFICATE

21. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

#### ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED

22. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, on a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees.

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 Con- tracts (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.

#### THE FIRST NAMED OF JOINT-HOLDERS DEEMED SOLE HOLDER

#### JOINT-HOLDERS OF SHARES

23 Where two or more persons are registered as holders of any share be deemed to hold the same as joint-tenants with benefit of survivorship subject to the provisions following and to the other provisions of these Articles relating to joint-holders:-

- (a) Our Company shall not be bound to register more than four persons as the joint-holders of any share.
- (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.
- (c) On the death of any of such joint-holders the survivor or survivors shall be the only person/ persons recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.
- (d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such shares.





#### COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

24. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

#### DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE

25. (a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in section 187 - C of the Act;
- (b) A person who holds a beneficial interest in share or a class of shares of the company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in section 187-C of the Act.
- (c) Whenever there is change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in section 187-C of the Act

#### UNDERWRITING AND BROKERAGE COMMISSION BE PAID

26. Subject to the provisions of section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring, or agreeing to procure subscription (whether absolute or conditional) for any share or debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

#### BROKERAGE

THE COMPANY MAY PAY A REASONABLE SUM FOR BROKERAGE.

#### INTEREST OUT OF CAPITAL

#### INTEREST MAY BE PAID OUT OF CAPITAL

27. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

#### CALLS DIRECTORS MAY MAKE CALLS

28. The Board may, from time to time, subject to the terms on which any share may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments.

#### NOTICE OF CALLS

29. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such calls shall be paid and the Company shall issue atleast 3 (Three) notice to the shareholders, after expiry of the date of payment of allotment money/call money to pay the balance amount and the 3rd notice should be sent by Regd. A.D. post only.

#### CALLS TO DATE FROM RESOLUTION

30. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

CALL MAY BE REVOKED OR POSTPONED

31. A call may be revoked or postponed at the discretion of the Board.

LIABILITY OF JOINT-HOLDERS

32. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

DIRECTORS MAY EXTEND TIME

33. The Board may, from time to time, at its discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

CALLS TO CARRY INTEREST

34. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

SUMS DEEMED TO BE CALLS

35. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

PROOF ON TRIAL OF SUIT FOR MONEY DUE ON SHARES

36. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the member or his representative sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

37. 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 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.

COMPANY'S LIEN ON SHARES/DEBENTURES

38. Our 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."



#### AS TO ENFORCING LIEN BY SALE

39. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and so for that purpose may cause to be issued a duplicate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf on and in the name of such member. No sale shall be made unless a sum in respect of which the lien exist is presently payable nor until notice in writing of the intention to sell shall have been served on such member and his representative and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fifteen days after such notice.

#### APPLICATION OF PROCEEDS OF SALE

40. The net proceeds of any such sale shall be received by the Company and applied in or towards payments of such parts of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a line for sums not presently payable as exists upon the shares before the sale) be paid to the amount in respect of which the lien exists.

#### FORFEITURE OF SHARES

41. If any member fails to pay any calls or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non- payment.

#### FORM OF NOTICE

42. The notice shall name a day (not less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be forfeited.

#### PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

43. Neither a judgement in favour of the Company for call or other moneys due in respect of any shares nor any past payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of its shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of any such money, shall preclude the Company from proceeding to enforce a forfeiture of such shares as hereinafter provided.

#### IN DEFAULT OF PAYMENT SHARE TO BE FORFEITED

44. If the requirement of any such notice as aforesaid shall not be complied with every or any shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, 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 or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

#### NOTICE FOR FORFEITURE TO A MEMBER

45. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such or to make any such entry as aforesaid.

#### FORFEITED SHARES TO BE THE PROPERTY OF THE COMPANY AND MAY BE SOLD, ETC.

46. Any share so forfeited shall be deemed to be property of the Company and may be sold, re- allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and such manner as the Board shall think fit.

#### LIABILITY ON FORFEITURE

47. Any members whose share has been forfeited shall cease to be a member in respect of the share, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the Company all calls, or installments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time or forfeiture until payment, at such rate as the Board may determine and the Board may enforce payment thereof or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

#### EFFECT OF FORFEITURE

48. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights by these Articles are expressly saved.

#### EVIDENCE OF FORFEITURE

49. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, or an officer duly authorised by the Board in this behalf and that certain share in the Company have been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

#### VALIDITY OF SALE

50. Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the power 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 shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale be in damages only and against the Company exclusively.

#### CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been previously surrendered to it by the defaulting member) stand cancel and become null and void and of no effect and the directors shall be entitled to issue a duplicate certificate in respect of the said shares to the person or the persons entitled thereto.

#### POWER TO ANNUL FORFEITURE

52. The Board may at any time before any shares forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it think fit.

#### TRANSFER AND TRANSMISSION OF SHARES REGISTER OF TRANSFER

53. Our Company shall keep a Register of Transfer and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.

#### INSTRUMENT OF TRANSFER:

54. (a) The instrument of transfer shall be common in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof".

#### NO FEE ON TRANSFER OR TRANSMISSION

- (b) No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

#### TRANSFER FORM TO BE COMPLETED AND PRESENTED TO THE COMPANY

55. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transfer and his right to transfer the share and every registered instruments of transferor shall remain in the custody of the Company untill destroyed by the order of Board. The transferor shall be deemed to be the holder of such shares untill the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of transfer the certificate of the shares must be delivered to the Company.

#### TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

56. The Board shall have power on giving not less than seven days previous notice by advertisement in some news paper circulating in the district in which the Registered office of the Company is situated to close the Transfer Books, Register of Members or Register of Debenture- holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.



#### DIRECTORS MAY REFUSE TO REGISTER TRANSFER

57. Subject to the provisions of Section III of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
58. Without prejudice to the generality of provisions of Article 59, the Board may refuse to register transfer of shares, listed on any of the recognised Stock Exchanges in the name of the transferee on any one or more of the following grounds, namely:-
- (a) that the instrument of transfer is not proper, or has not been duly stamped and executed, or that the certificate relating to the share has not been delivered to the Company, or that any other requirement under the law relating to registration of such transfer has not been complied with;
  - (b) that the transfer of shares is in contravention of any law ;
  - (c) that the transfer of shares is likely to result in such a change in the composition of the Board of Directors as would be prejudicial to the interest of the Company or to the public interest
  - (d) that the transfer of the shares is prohibited by any order of any Court, tribunal or other authority under any law for the time being in force.
59. (1) The Board shall, before the expiry of two months from the date on which the instrument of transfer is lodged with the company for the purposes of such transfer, form its opinion as to whether such registration ought or ought not to be refused on any of the grounds mentioned in Article 60.
- (2) If the Board has formed the opinion that such registration ought not to be refused the company shall effect the registration of transfer.
- (3) If the Board forms an opinion that such registration ought to be refused on the grounds mentioned in Clause (a) of Article 58, it shall intimate the transferor and transferee by notice in the prescribed form about the requirements under the law which has or which have to be complied with for securing such registration on.
- (4) If the Board forms an opinion that the registration ought to be refused on any of the grounds in clauses (b) to (d) of Article 58, it shall make a reference to the Company Law Board and forward thereof to the transferor and the transferee.
- (5) When on reference to the Company Law Board, the said Board directs that the transfer of shares-
- (a) shall be registered by the Company, the company shall register the transfer of shares within 10 days of the order of the Board.
  - (b) need not be registered by the Company, the Company shall, within 10 days from the date of the order intimate the transferor and the transferee accordingly.

#### DEATH OF ONE OR MORE JOINT-HOLDERS OF SHARES

60. In case of the death of any one or more of the persons named in the Register of Member as the joint-holders of any share, the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability of shares held by him jointly with any other person.

#### TITLE OF SHARES OF DECEASED MEMBER

61. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless they have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion, thinks fit, it may dispense with production of Probate or Letter of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Articles 65, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

NO TRANSFER TO MINOR

62. No partly paid share shall in any circumstance be subscribed or transfer to any infant, minor, insolvent or person of unsound mind.

REGISTRATION OF PERSONS ENTITLED TO SHARES OTHERWISE THAN BY TRANSFER

63. Subject to the provisions of the Act and Articles 58 and 59 any person becoming entitled to share in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some persons nominated by him and approved by the Board registered as such holder; provided nevertheless, that if that person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER

64. A person entitled to a share by transmission shall, subject to the right of the Directors, to retain such dividends of money as hereinafter provided, be entitled to receive any and may give discharge for any dividends or other moneys payable in respect of share.

COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF A TRANSFER

65. Our Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of person having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or to be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

OMISSION TO GIVE NOTICES NOT TO INVALIDATE A RESOLUTION PASSED

66. The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate any resolution passed at any such meeting.

BODY CORPORATE DEEMED TO BE PERSONALLY PRESENT

67. A body corporate being a member shall be deemed to personally present if it is represented in accordance with section 187 of the Act.

BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT

68. No business shall be discussed at any General Meeting except the election of the Chairman whilst the chair is vacant.

QUESTION AT GENERAL MEETING HOW DECIDED

69. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the meeting or by any member or members holding not less than one tenth of the total voting power in respect of the resolution or by any member or members presents in person or by proxy, and holding shares in the Company confirming a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than Rs. 50,000/- and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the member or proportion of the votes recorded in favour of or against the resolution.

CHAIRMAN'S CASTING VOTE

70. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll(if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.





#### POLL TO BE TAKEN IF DEMANDED

71. In accordance with the provisions of the Companies Act, 1956

#### VOTES OF MEMBERS

##### MEMBERS IN ARREARS NOT TO VOTE

72. No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of class of shareholders either upon a show of hands or upon a poll 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 not exercised, any right of lien.

##### NUMBER OF VOTES WHICH MEMBER ENTITLED

73. Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every member, not disqualified by the last proceeding article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person or by proxy provided, however, that if any preference share holder be present at any meeting of the Company, save as provided in clause (b) of section (2) of section 87, he shall have a right to vote only on resolution placed before the meeting which directly effect the right attached to his preference shares.

74. On a poll taken at a meeting of the Company, 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 he uses.

#### VOTES OF JOINT-MEMBERS

75. If there be joint registered holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and if more than one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at meeting. Several executors or administrators of a deceased member in whose name shares stands shall be for the purpose of these Articles deemed joint holders thereof

#### VOTING IN PERSON OR BY PROXY

76. Subject to the provisions of these Articles votes may be given either personally or by proxy, body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

#### TIME FOR OBJECTIONS OF VOTE

77. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### CHAIRMAN OF THE MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE

78. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### DIRECTORS

##### NUMBER OF DIRECTORS

79. Subject to the provisions of Sections 252 and 259 of the Act, the numbers of Directors shall not be less than three and not be more than twelve.

##### FIRST DIRECTORS

80. The following persons shall be the first Directors of the Company.

1. Mr. Anil Jairam Agrawal
2. Mr. Mitesh Anil Agrawal
3. Mr. Abhishek Anil Agrawal



81. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remains owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Company Limited (GIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company (UI), Himachal Pradesh Mineral and Industrial Development Corporation Limited (HPMIDC) or a state Finance Corporation or any financial Institution owned or controlled by the Central government or a state Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves ( each of the above is hereinafter this Article referred to as “ the Corporation” out of any loan/ debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debenture/ shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a director or directors wholetime or non wholetime ( which Director or directors, is are hereinafter referred to as Nominee Directors) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s at the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee directors shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and subject to the same obligations as any other director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures / shares in the company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the nominee directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to Corporation are paid off or on the Corporation ceasing the debentures/ shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

Our Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission moneys or remuneration in any forms payable to the Director/s of the Company, the fees, commission moneys and remuneration in the relation to such Nominee director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by to Company to the Corporation or as the case may be to such Nominee Director/s. provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation provided also that in the event of the nominee Director/s being appointed as whole- time Director/s , such Nominee director/s shall exercise such power and duties as may be approved by the Corporation and have such rights as are exercised or available to whole time Director in the management of the affairs of the Company. Such whole-time Director(s) shall be entitle to receive such remuneration, fee, commission. and monies as may be approved by the Corporation.

#### POWER TO APPOINT EX-OFFICIO DIRECTORS

82. Whenever the Directors enter into a contract with any government, central, state or local authority, institution or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have subject to the provisions of Section 255 of the Act, the power to agree that such government authority, institution, person or persons shall have the right to appoint or nominate by notice in writing addressed to the Company one or more Director on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may also agree that any such Director or Directors may be removed from time to time by the government, institution, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which occurs as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

#### DEBENTURE DIRECTORS

83 If it is provided by the Trust Deed securing or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be



removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

#### APPOINTMENT OF ALTERNATE DIRECTOR

84. The Board may in accordance with and subject to the provisions of Section 313 of the Act, appoint an Alternate Director to act for a Director during latter's absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and vacate office if and when the original Director returns to that state. If the term of office of the original Director is determined before he so returns to state any provisions in the Act or in these Articles for the automatic reappointment of a retiring Director in default of another appointment shall apply to the original Director and not to the alternate Director.

#### DIRECTOR'S POWER TO ADD TO THE BOARD

85. Subject to the provisions of Sections 260 and 264 of the Act Board shall have power at any time and from time to time appoint any other person to be an additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 79 . Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

#### DIRECTORS' POWER TO FILL CASUAL VACANCIES

86. Subject to the provisions of Sections 262 and 264 of the Act, the Board shall have power at any time to appoint any other person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### SHARE QUALIFICATION OF DIRECTORS

87. The share qualification of a Director may be fixed by the Company in General Meeting and unless and until so fixed no qualification shall be required.

#### REMUNERATION OF DIRECTORS

88. (a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing Director and whole time Director shall be entitled to receive out of the funds of the Company for his services in attending Meetings of the Board or committees thereof, a fee upto Rs, 20000/- as the Board may decided or upto such amount as may be prescribed by the Central Government from time to time
- (b) Subject to the provisions of the Act, a Managing Director or Director in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (c) Subject to the provisions of the Act, a Director who is neither in the whole time employment of the Company nor a Managing Director, may be paid remuneration either;
- (1) by way of monthly, quarterly or annually payment with the approval of the Central Government: or
  - (2) by way of commission if the Company by special resolution authorises such payment.

#### SPECIAL REMUNERATION OF DIRECTORS PERFORMING EXTRA SERVICES

89. If any Director be called upon to perform extra services or make special exertions or efforts ( which expression shall include work done by a Director as a member of any committee of the Board), the Board may arrange with such Director for special remuneration for such service or exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

#### TRAVELLING EXPENSES INCURRED BY DIRECTOR NOT A BONAFIDERESIDENT

90. The Board may allow and pay to any director, who is not bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum and as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's Business, he shall be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

DIRECTOR MAY ACT NOTWITHSTANDING ANY VACANCY

91. The continuing Director may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum, the continuing Directors not being less than two may act for the purpose of increasing the number of Director to that number, or of summoning a General meeting, but for no other purpose.

DIRECTOR MAY CONTRACT WITH COMPANY

92. A director or his relative, firm in which such director or relative is a partner; or any other partner in such firm or a private company of which the director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into and in accordance with section 297 of the Act.

DIRECTOR MAY BE DIRECTORS OF COMPANIES  
PROMOTED BY THE COMPANY

93. A director may be or become a director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as a Director or shareholder of such company except in so far section 309(6) or section 314 of the Act may be applicable.

ELIGIBILITY FOR RE-ELECTION

94. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retired.

COMPANY MAY INCREASE OR REDUCE  
THE NUMBER OF DIRECTORS

95. Subject to section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, and alter their qualifications and the Company may (subject to the provisions of section 284 of the Act) remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold the same if he had not been removed.

MANAGING DIRECTOR  
THE BOARD MAY APPOINT MANAGING DIRECTOR

96. Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to time any of its members as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, the Board may by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may by way of monthly payment, fee for such meeting or participation in profits or by any or all of these modes or any other mode not expressly prohibited by the Act.

SPECIAL POSITION OF MANAGING DIRECTOR

97. A Managing Director and/or whole time director shall not while he continues to hold that office be subject to retirement by rotation and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director and/or whole time director.

QUESTIONS AT BOARD MEETING HOW DECIDED

98. Subject to the provisions of the Act, all questions arising at any meeting of the Board shall be determined by a majority of the vote of the Directors present and voting threat.

POWERS OF THE BOARD MEETING

99. A meeting of the Board for the time being a which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

DIRECTORS MAY APPOINT COMMITTEE

100. Subject to the provisions of the Act and the restrictions contained in section 292 of the Act the Board may delegate any of their powers to committees of the Board consisting of such members or of its body as it thinks fit, and it may from time to time revoke and discharge any committee of the Board wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.



## RESOLUTION BY CIRCULATION

101. No resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the resolution has been circulated in draft, together with the papers, if any, to all the Directors or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or its 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 of the Directors or members of the committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

## ACTS OF BOARD OR COMMITTEE

### VALID NOTWITHSTANDING INFORMAL APPOINTMENT

102. All acts done by any meeting of the Board or by committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there is some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed had not vacated his office or his appointment had not been terminated, 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.

## SECRETARY

103. The Directors may from time to time appoint, and at their discretion, remove the Secretary or take the services of the Company secretary in whole time practice. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

## BORROWING POWERS

104. The Directors may from time to time at their discretion raise or borrow any sum or sums of money for the purpose of the Company subject to the provisions of Section 292 & 293 of the Act and may secure payment or repayment of same in such manner and upon such terms and conditions in all respect as may be prescribed by the Board in particular by the creation of any mortgage, hypothecation, pledge or charge in and over the Company's stocks, book debts and other movable properties.

105. The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of the bonds, perpetual or redeemable debentures, or debenture-stock, of any mortgage, charge or other security on the undertaking of the whole or any part of the Company, both present and future, including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange or other negotiable instruments and no debenture shall carry any voting rights whether generally or in respect of a particular class of shares of business.

106. If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may by instrument under the Company's seal, delegate the power under Section 292 of the Act to the person in whose favour such mortgage or security is executed or any other person in trust for him.

## TERM OF ISSUE OF DEBENTURES

107. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

108. If any uncalled capital of the Company is included in or charged by any mortgage or other securities, the Directors may, subject to the provisions of the Act and these presents, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

109. If the Director or any of them or any other person shall become personally liable for the payment, if any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

110. The Directors may receive deposits on such terms and conditions and bearing interest at such rate as they may decide and fix and which may be made payable monthly, quarterly, half-yearly or yearly, subject to the notification issued from time to time by the Department of Non-Banking Companies, Reserve Bank of India, if any.

111. Our Company may subject to the provisions of Section 208 of the Act pay interest on so much of the share capital as is for the time being paid up as was issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period.

POWERS OF THE BOARD

112. Subject to the provisions of the Act, control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided, further, that in exercising 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 Association of the Company or in these Articles or in any regulations made by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation has not been made.
113. Our Company may exercise the powers conferred on it by Section 157 and 158 of the Act with regard to keeping of a foreign Register; and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit in respect of the keeping of any such register.
114. The Director may at any time pay or agree to pay commission to any person in consideration of subscribing, underwriting or agreeing to subscribe or underwrite (whether absolutely or conditionally) any debentures of the Company, but so that if the commission shall be paid or be payable out of the capital the statutory conditions and requirement shall be observed and complied with and the commission shall not exceed two and a half per cent of the face value of the debentures.
115. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for the monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by the Managing Director or by such person and in such manner as the Board shall from time to time by resolution determine.
116. Without prejudice to the General powers of conferred by these present but, subject however to Section 292, 293, 294 295, 297 and 314 of the Act, it is hereby expressly declared that the Directors shall have the Following powers that is:
- (1) To pay the costs, charge, preliminary and incidental to the promotion, formation, establishment and registration of the Company.
  - (2) To pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bond debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and uncalled capital or not so charged.
  - (3) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.
  - (4) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company or in such other manner as they think fit.
  - (5) To appoint and at their discretion remove or suspend such managers, secretaries, experts and other officers, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit and determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
  - (6) To appoint any person (whether incorporated or not) to accept and to hold in trust for the Company and property belonging to the Company or in which it is for any other purpose and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees.
  - (7) To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment in satisfaction of any debts, dues and of any claims or demands by or against the Company and act on behalf of the Company in all matters to bankrupts and insolvents and apply and obtain letters of administration, provided that the Board shall not except with the consent of the General Meeting remit or give time of the repayment of any debt due from a Director.
  - (8) To refer any claims or demands by or against the Company or to enter into any contract or agreement for reference to arbitration and to observe, enforce, perform, compound or challenge such awards and to take proceedings for the reversal of the same.





- (9) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (10) To act as trustees in composition of the Company's debtors.
- (11) To make, vary and repeal bye-laws or regulations of business of the Company and the duties of officers and servants.
- (12) Subject to the provisions of the Act and in particular, subject to Section 309 and 310 of the Act, to give a Director or any officer or any other person whether employed or not by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company and such commission or share of profits shall be treated as part of working expenses of the Company.
- (13) At any time and from time to time by power of Attorney under the seal of the Company, to appoint any person or persons to be the attorney of the Company in India or abroad for such purpose and with such powers, authorities and discretion and for such period and subject to such conditions as the Directors may from time to time think fit; and any such appointment may be made in favour of any Company or the members, Director, Nominees or Managers of any Company or firm or otherwise in favour of fluctuating body of persons whether nominated directly or indirectly by the Directors any such power of attorney may contain such powers enabling any such delegates or attorneys as aforesaid sub-delegate allot any of the powers, authorities and discretion for the time being vested in them.
- (14) With the sanction of the Board to execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and any such powers, convenient and provisions as shall be agreed upon or other agreements as may be thought fit.
- (15) In conformity with Sections 293(1)(c) and 372 of the Act to invest and deal with any of the moneys of the Company in such manner as they think fit and from time to time to vary or realise such investments.
- (16) To enter into all such negotiations and contracts, rescind and vary all such a contract and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- (17) To act jointly or severally in all or any of the powers conferred on them.
- (18) To comply with the requirements of the Act or any other local law, which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.
- (19) To delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular, from time to time to provide by the appointment of an attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they think fit.
- (20) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families of the dependents or connections of the persons by building or contributing to the building of houses, dwelling or chawls or by grants of moneys, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions, recreations, hospitals and dispensaries and all other kinds of medical relief.
- (21) Subject to Section 293(1)(e) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, medical or other institutions the objects of which shall have any moral or other claim for support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- (22) To open and deal with the current accounts, overdraft accounts with any bank or banks for carrying on any business of the Company.
- (23) Subject to Section 293(1)(a) of the Act to sell or dispose any of properties of the Company to any person in consideration of cash payment in lump sum or by installment or in return for any other service rendered to the Company.
- (24) To get insured any or all the properties of the Company and any or all the employees and their dependents against any or all risks.

- (25) To appoint and nominate any person or persons to act as proxy or proxies for the purpose of attending or voting on behalf of the Company at a meeting of any company or association.
- (26) Subject to Section 294 of the Act to appoint purchasing and selling agents for the purchase and the sale of the Company's requirements and products respectively.
- (27) Subject to Section 293 (1)(e) of the Act to give away in charity monies received from any sources whatever or from any assets of the Company for any charitable purposes.
- (28) Before declaring any dividend to set aside such portion of the profits of the Company as they think fit, to form a fund to provide for the pension, gratuities or compensation or create a provident fund or benefit fund in such manner as the Directors deem fit.
- (29) To realise, compound and allow time for the payment or satisfaction of any debts due to or by the Company and any claims or demands by or against the Company to arbitration and observe and perform the awards.
- (30) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debenture or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property (both present or future) including its uncalled capital and to purchase, redeem or pay off any such securities.

#### THE SEAL

#### THE SEAL, ITS CUSTODY AND USE

- 117 (a) The Board shall provide a common seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given in that behalf and in the presence of at least one Director or Secretary or other person authorised by the Board or committee thereof for that purpose.
- (b) Our Company shall also be at liberty to have an official seal in accordance with section 50 of the Act, for use in any territory, district or place outside India.

#### DEEDS HOW EXECUTED

- 118. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by one Director and Secretary or some other person appointed by the Board for the purpose.

#### DIVIDENDS

#### DIVISIONS OF PROFITS

- 119. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid or credited paid-up on the shares held by them respectively.

#### THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND

- 120. Our Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

#### DIVIDENDS ONLY TO BE PAID OUT OF PROFITS

- 121. No dividend shall be declare or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:
  - (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
  - (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section 205 of the Act or against both.





#### INTERIM DIVIDEND

122. The Board may, from time to time, pay to the members such interim dividend as in their judgement the position of the Company justifies.

#### CAPITAL PAID-UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND

123. Where Capital is paid-up in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participation of profits.

#### DIVIDENDS IN PROPORTION TO AMOUNT PAID-UP

124. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such shares shall rank at par for dividends.

#### TRANSFER OF SHARES MUST BE REGISTERED

125. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

#### DIVIDENDS HOW REMITTED

126. Unless otherwise directed any dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the register in respect of the joint-holdings. Every such cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

#### INTEREST ON UNPAID DIVIDEND

127. Subject to the provisions of section 205 to 208 of the Act, no unpaid dividend shall bear interest as against the Company.

#### UNPAID OR UNCLAIMED DIVIDEND

128. Dividend unclaimed and unpaid will be dealt with in accordance with the provisions of sections 205A and 205B or other provisions, if any, of the Act as may be applicable from time to time.

#### DIVIDEND AND CALL TOGETHER

129. Any General Meeting declaring a dividend may on the recommendation of the Directors 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 may, if so arranged between the Company and the member, be set off against the calls.

#### CAPITALISATION

130. (a) Our Company in 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 reserve fund, or any capital redemption reserve accounts, 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 shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion 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 shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that a share premium account and a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying of any unused shares to be issued to the members of a Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus money arising from the realisation of any capital assets of the Company or any investment 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.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Articles 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.

AS TO INSPECTION OF ACCOUNTS OR BOOKS BY MEMBERS

131. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorised by the Board.

STATEMENT OF ACCOUNTS TO BE FURNISHED TO GENERAL MEETING

132. The Director shall from time to time, in accordance with section 210, 211, 212, 215, 216 and 217 of the Act cause to be prepared and to be laid before the Company in General Meeting, such as Balance Sheet, Profit & Loss Accounts and Reports as are required by these sections.

AUDITED AND APPROVED BALANCE SHEET AND PROFIT AND LOSS A/C TO BE CONCLUSIVE EVIDENCE

133. Every Balance Sheet and Profit & Loss Account of the Company when audited and approved by the Company at an Annual General Meeting shall be conclusive except as regards any error discovered therein. Whenever any such error is discovered the Balance Sheet and Profit & Loss Account shall forthwith be corrected by the Board and thenceforth shall be conclusive.

DOCUMENTS AND NOTICES BY ADVERTISEMENTS

134. A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

ON JOINT-HOLDER

135. A documents or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the documents on or the joint-holder named first in the register of members in respect of the shares.

MEMBERS BOUND BY DOCUMENTS OR NOTICES SERVED ON OR GIVEN TO PREVIOUS HOLDERS

136. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every documents or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person whom he derives his title to such shares.

DOCUMENTS OR NOTICES BY COMPANY AND SIGNATURE THERETO

137. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

SERVICE OF DOCUMENTS OR NOTICE BY MEMBER

138. All documents or notices to be served or given by members on or the Company or any officer thereof shall be served or given by sending it to the Company or officer at the post under certificate of posting or by registered post, or by leaving it at the office.

INDEMNITY AND RESPONSIBILITY

139. Subject to section 201 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or discharged or in connection with any application under section 633 of the Act in which relief is granted to him by the Company.

SECURITY CLAUSE

140. (a) Every Director, (except institutional/ex-officio director) Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Director before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company and all matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.



- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any confirmation respecting any details of the Company's trading or any matter which is or may in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which, in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

141. a) COMPANY ENTITLED TO DEMATERIALISE ITS SHARES

Notwithstanding anything contained in the Articles of Association of the company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996, including any statutory modification(s) or re-enactment(s) thereof and to offer for subscription in a dematerialized form. The company shall further be entitled to maintain a register of Members with details of Members holding shares both in material and dematerialized form(s) or in any media as permitted by law including any form of electronic media.

b) BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER:

A "beneficial owner" means any person or persons whose name(s) is recorded as such with a depository and the Company shall be entitled to treat the person(s) whose name(s) appears as the beneficial owner of the shares in the record of Depository Act, 1996, as the absolute owner thereof as regard receipt of dividend or bonus or rights and other entitlements or service of notices and all or any other matter connected with the shares and accordingly the company shall not (except as ordered by a competent court of jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or whatsoever other claim to or interest in such share(s) on the part of any other person whether or not the company shall have express or implied notice thereof.

c) RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNER

Notwithstanding anything contained in this articles of association in any other law for the time being in force, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of the shares, debentures or other securities on behalf of a beneficial owner. Save as otherwise provided herein above, the depository as a registered owner shall not have any voting rights or any other rights in respect of shares debentures or any other securities held by it, and the beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his/her shares, debentures or any other securities held by a depository.

d) BENEFICIAL OWNER DEEMED AS A MEMBER

Every person holding equity shares of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a Member of the Company.

e) INVESTMENTS IN THE NAME OF A DEPOSITORY

The company can hold investments in the name of a depository when such investments are in the form of securities held by the Company as a beneficial owner.

f) SERVICE OF DOCUMENTS ON COMPANY

Where the shares, debentures or any other securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or disks.

g) TRANSFER OF SHARES AND DEBENTURES

The provisions contained in the Articles of Association with respect to transfer or transmission of shares debentures or any other securities shall not apply to transfer or transmission of shares, debentures or any other securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of depository.

h) RECTIFICATION OF REGISTER OF TRANSFER

With regards to the rectification of register of transfer, all the provisions of section 111 A of the Companies' Act, 1956 as may be in force from time to time shall also apply.

i) ALLOTMENT OF SHARES, DEBENTURES OR ANY OTHER SECURITIES TO A DEPOSITORY.

Notwithstanding anything contained in sub section (1) of section 113 of the Companies Act, 1956 or any modification(s) or re-enactment(s) thereof, where the shares, debentures or any other securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately an allotment of such shares, debentures or any other securities as far as practicable.

j) DISTINCTIVE NUMBER OF SHARES AND DEBENTURES HELD WITH A DEPOSITORY NOT REQUIRED.

Provisions contained in this Articles of Association about recording distinctive numbers of shares or debentures held by each member or debenture holder respectively in the Register of Members or register of Debenture Holder of the Company shall not apply to the shares or debentures or any other securities, which are held with a depository.

k) REGISTER AND INDEX OF BENEFICIAL OWNER.

The register and index of Beneficial Owners maintained by a depository under section 11 of the Depositories Act, 1996, shall also be deemed to be a register and Index of Members and index of debenture holder, as the case may be, for the purpose of this Article of Association and the Companies Act, 1956.

l) SECURITIES IN FUNGIBLE FORM

The shares, debentures or any other securities of the Company held by a depository shall be dematerialized and shall be in a fungible form. In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificate and where such shares or securities are being held in on electronic and fungible form, the provisions of the Depositories Act, 1996 as may be in force from time to time shall apply”

142. Voting by Postal or electronic mode

The Company may, get resolution passed by means of postal ballot, instead of transactions the businesses in General Meeting of the Company, if required by the Act or otherwise.



## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered in the ordinary course of business carried on by our Company, which are or may be deemed material contracts have been attached to the copy of this Prospectus delivered to the Registrar of Companies, Goa, Daman & Diu at Goa, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at Survey No. 50/9 A, Daman Industrial Estate, Kadaiya, Daman – 396 210 (U.T.) between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Prospectus to until the date of closing of this Issue.

### Material Contracts

- i. Memorandum of Understanding dated 3rd July 2005 with UTI Securities Limited, appointing them as Lead Manager to the Issue.
- ii. Underwriting Agreements dated 22nd November 2005 with UTI Securities Ltd. & ENAM Financial Consultants Pvt. Ltd.
- iii. Memorandum of Understanding dated 23rd June 2005 signed with Intime Spectrum Registry Ltd., appointing them as Registrar to the Issue.
- iv. Memorandum of Understanding dated 6th April 2005 with Amparo Overseas Fze, Dubai for marketing of our various products.
- v. Memorandum of Understanding dated 21st January 2005 with M/s. P.G. Traders, Dhaka (Bangladesh) for promoting and marketing the products manufactured by our Company.
- vi. Memorandum of Understanding dated 1st July 2005 with M/s. Abhishek Packaging Industries to use premises of M/s. Abhishek Packaging Industries as office.
- vii. Agreement dated 4th July 2005 made by and between our Company and Mr. Mitesh Agrawal for appointment as Managing Director for a period of five years commencing from 1st March 2005.

### Documents for Inspection

- 1) Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Certificate of Incorporation of Radha Madhav Corporation Ltd. dated 7th January 2005.
- 3) Certificate of Commencement of Business of Radha Madhav Corporation Ltd. dated 24th January 2005.
- 4) Partnership Deed dated 17th January 2005 between RMCL and Metro Poly Prints w.e.f. 1st February 2005.
- 5) Partnership Deed dated 17th January 2005 between RMCL and Radha Madhav Industries w.e.f. 1st February 2005.
- 6) Partnership Deed dated 17th January 2005 between RMCL and Mayura Industries w.e.f. 1st February 2005.
- 7) Registered Sale Deed for factory land & building situated at Survey No. 50/9A, Daman Industrial Estate, Kadaiya Daman for Unit II between RMCL and Mrs. Sulochanadevi Agrawal dated 1st February 2005.
- 8) Registered Sale Deed for factory land & building situated at Survey No. 54/3A & 54/2D Daman Industrial Estate, Kadaiya Daman for Unit III between RMCL and Mrs. Sulochanadevi Agrawal dated 1st February 2005.
- 9) Registered Dissolution Deed dated 19th May 2005 between RMCL and Metro Poly Prints w.e.f. 5th March 2005.
- 10) Registered Dissolution Deed dated 19th May 2005 between RMCL and Radha Madhav Industries w.e.f. 5th March 2005.
- 11) Registered Dissolution Deed dated 19th May 2005 between RMCL and Mayura Industries w.e.f. 5th March 2005.
- 12) Registered Release Deed for factory land & building situated at Survey No. 51/3C, 54/1B & 54/2, Daman Industrial Estate, Kadaiya Daman for Unit I between RMCL and Metro Poly Prints dated 30th May 2005.
- 13) Registered Sale Deed for open land situated at Survey No. 292/1, 292/2 & 293/1 Village Marwad Daman between RMCL and Abias Exports Pvt. Ltd 26th May 2005.
- 14) Resolution Passed by the Board of Directors at their meeting held on 2nd June 2005 for the proposed Public Issue.
- 15) Sanction of Credit Facilities by State Bank of India vide letter dated 6th June 2005.
- 16) Resolution passed under Section 81(1A) of the Act, at the EGM of the Company held on 10th June 2005.
- 17) Registered Sale Deed for factory land & building situated at Survey No. 107/2, 108/1 & 108/2 Daman Industrial Estate, Kadaiya Daman for Unit IV between RMCL and Daman Plastics dated 28th June 2005.
- 18) Valuation Memorandum dated 7th July 2005 of Khimji Kunverji & Co., Chartered Accountants.
- 19) Sanction of Credit Facilities by Bank of Baroda vide letter dated 29th July 2005.
- 20) Tax Benefit Certificate dated 25th October 2005 from H. P. Shah Associates., Tax Auditors of the Company.
- 21) Auditors' Report dated 17th October 2005 included in the Prospectus and copies of the Balance Sheet referred in the said report.
- 22) Appraisal Report dated 10th June 2005 of State Bank of India and Addendums to Appraisal Report dated 9th July 2005 and 20th August 2005.
- 23) Auditors Certificate dated 25th October 2005 regarding the Sources and Deployment of Funds as on 30th September 2005.
- 24) Consent from the Directors, Company Secretary, Compliance Officer, Auditor, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue and Legal Advisor to the Issue to act in their respective capacities.
- 25) Copy of in-principle approval dated October 7, 2005 from BSE.
- 26) SEBI Acknowledgement Card dated October 13, 2005

Any of the contracts or documents mentioned in this 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 the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. Our Company further certifies that all the disclosures made in this Prospectus are true and correct.

### SIGNED BY THE DIRECTORS

- 1) **Sd/- Anil J. Agrawal**  
Chairman
  
- 2) **Sd/- Mitesh Agrawal**  
Managing Director & CEO
  
- 3) **Sd/- Abhishek Agrawal**  
Whole-time Director
  
- 4) **Sd/- Kanubhai Patel**  
Director
  
- 5) **Sd/- Binodkumar Paliwal**  
Director
  
- 6) **Sd/- Ramesh Bhandari**  
Director
  
- 7) **Sd/- Dilip Patel**  
Manager - Finance & MIS

Place : Daman

Date : November 28, 2005.

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