



ORIENTAL TRIMEX LIMITED

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(Originally incorporated as Oriental Trimex Private Limited on April 22, 1996 under the Companies Act, 1956 and converted to Public Limited Company on February 6, 2001. The Registered office of the Company was changed from 26/25 Bazaar Marg, Old Rajinder Nagar, New Delhi - 110060 to 708, 7th Floor, Padma Tower-I, 5 Rajindra Place, New Delhi – 110008 w.e.f. April 1, 2006)

PUBLIC ISSUE OF 1,00,00,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS ('THE ISSUE'). THE ISSUE COMPRISES OF PROMOTERS CONTRIBUTION OF 6,00,000 EQUITY SHARES AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING RS. [•] LAKHS THE NET ISSUE TO PUBLIC IS OF 94,00,000 EQUITY SHARES AT A PRICE OF RS [•] PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS. THE ISSUE WOULD CONSTITUTE 64.50 % OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY CAPITAL OF THE COMPANY

The issue is being made in terms of Clause 2.2.2(a) (ii) and (b) (i) of SEBI (DIP) Guidelines, 2000 as amended from time to time, wherein the "Project" has atleast 15% participation by Financial Institutions/Scheduled Commercial Banks, of which atleast 10% comes from the appraiser(s). In addition to this, atleast 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, the Company shall pay an interest on the application money at the rate of 15% per annum for the period of delay.

PRICE BAND: RS. 40 TO RS. 48 PER EQUITY SHARE OF FACE VALUE OF RS. 10/-

THE FACE VALUE OF THE SHARES IS RS. 10/- AND THE FLOOR PRICE IS 4 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 4.8 TIMES OF THE FACE VALUE

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue shall be available for allocation to QIBs, but at least 10% of the Issue size shall be mandatorily allotted to QIBs on a proportionate basis failing which the full subscription monies shall be refunded. Out of QIB portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, by issuing a press release and by indicating the changes on the websites of the Book Running Lead Manager ("BRLM") and on the terminals of the member of the Syndicate.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of the Equity Shares of Oriental Trimex Limited ("the Company"), there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares of the Company is Rs. 10/- per share and the Issue Price of Rs. [?] per share is [?] times of the face value of the Equity Shares of the Company. The Issue Price (as has been determined and justified by the Book Running Lead Manager and the Company as stated herein under the paragraph 'Basis of Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The in-principle approval of NSE and BSE for listing of Equity Shares of the Company have been received pursuant to letters dated October 19, 2006 and September 28, 2006 respectively. BSE shall be the Designated Stock Exchange.

The Company has not opted for grading of the Initial Public Issue by any Credit Rating Agency.

BOOK RUNNING LEAD MANAGER	REGISTRARS TO THE ISSUE
 <p>Allianz Securities Limited 2nd Floor, 3 Scindia House Janpath, New Delhi-110001 Phone: +91 11 41514666-69 Fax: +91 11 41514665 Email: oriental.ipo@aslfinancial.com Website: www.aslfinancial.com Contact Person: Ms. Payal Puri</p>	 <p>Beetal Financial & Computer Services (P) Limited Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110 062 Phone: +91-11-29961281 (6 lines) Fax: +91-11-29961284 E-mail: beetal@beetalfinancial.com Website: www.beetalfinancial.com Contact Person: Mr. Punit Mittal</p>

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: FEBRUARY 8, 2007

BID/ISSUE CLOSURES ON: FEBRUARY 14, 2007

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Chapter I - General

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
“Oriental Trimex Limited” or “OTL” or “the Company” or “our Company”	Oriental Trimex Limited, a Public limited company incorporated under the Companies Act, 1956 with its Registered office at 708, 7 th Floor, Padma Tower-1, 5 Rajindra Place, New Delhi-110 008
“We” or “us” and “our”	Unless the context otherwise require, refers to Oriental Trimex Limited

Conventional / General Terms

Terms	Description
Articles / Articles of Association	Articles of Association of Oriental Trimex Limited
Auditors	Statutory Auditors of the Company viz., Mehra Wadhwa & Co., Chartered Accountants
Board of Directors / Board	The Board of Directors of Oriental Trimex Limited
Companies Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Oriental Trimex Limited, unless otherwise specified
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Oriental Trimex Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters	Mr. Rajesh Punia, Ms. Savita Punia, Oriental Tiles Limited and Oriental (Buildmat) Exports Pvt. Ltd.
Registered Office	The Registered office of the Company is situated at 708, 7 th Floor, Padma Tower-1, 5 Rajindra Place, New Delhi-110 008
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Issue Related Terms

Terms	Description
Allianz	Allianz Securities Limited
Allotment	Unless the context otherwise requires, the issue and the allotment of Equity Shares, pursuant to the Issue
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Bankers / Escrow Bankers to the Issue	HSBC Ltd., ICICI Bank Ltd., Kotak Mahindra Bank, ABN Amro Bank N.V. & Canara Bank.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto. An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid Closing Date/ Issue Closing date	The date after which the members of the Syndicate will not accept any Bids for the issue, which shall be notified in an English National Newspaper and a Hindi National Newspaper with wide circulation.
Bid cum Application Form/ Bid Form	The form in terms of which the Bidder shall make an offer to subscribe the Equity Shares of the Company in terms of this Red Herring Prospectus
Bid Opening Date / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English National Newspaper and a Hindi National Newspaper with wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus
Bidding Period / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids
Book Building Process	Book Building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Allianz Securities Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process
Cap Price	The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted
Cut-off Price	The Issue Price finalized by the Company in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Depository Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot the Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus/DRHP	Draft Red Herring Prospectus filed with SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, Syndicate Members, the Registrar, the Escrow Collection Bank(s) and the BRLMs for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected to the Bidders
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened.

First Bidder	The Bidder whose name appears first in the bid cum application form or revision form
Floor Price	The price advertised by the Company prior to the Bid/Issue Opening Date, below which the Issue Price will not be finalized and below which no Bids will be accepted
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with BRLMs on the Pricing Date
Issue Account / Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Issue Period	The period between the Bid / Issue Opening Date and Bid / Issue Closing Date including both these dates
Lead Managers	Lead Manager to the Issue, in this case being Canara Bank
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Members of the Syndicate	The BRLMs and the Syndicate Members
Mutual Fund portion	5% of QIB portion or 2,35,000 equity shares available to allocation to Mutual Funds only, out of QIB portion.
Non-Institutional Portion	The portion of this Issue being at least 15% of the Net Issue consisting of 14,10,000 Equity Shares of Rs. 10 each aggregating Rs.[•] lakhs, available for allocation to Non Institutional Bidders.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLMs and Syndicate Members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Pay-in-Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	Means: (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) with respect to QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	Being the price band of a minimum price of Rs. 40 per Equity Share (Floor Price) and the maximum price of Rs. 48 per Equity Share (Cap Price)(both inclusive), and including revision thereof.
Pricing Date	Means the date on which the Company, in consultation with the BRLMs, finalizes the Issue Price
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue/ Issue	Initial Public Issue of 1,00,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] lakhs ('the Issue'). The Issue comprises of promoters contribution of 6,00,000 Equity Shares at a price of Rs. [•] per Equity Share aggregating to Rs. [•] lakhs The net issue to public is of 94,00,000 Equity Shares at a price of Rs. [•] per Equity Share aggregating to Rs. [•] lakhs. The Issue would constitute 64.50% of the fully diluted post issue paid up Equity Capital of the Company.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Bid / Issue Opening Date
QIB Portion	Consists of 47,00,000 Equity Shares of Rs. 10 each aggregating at a price of Rs. [•] for cash aggregating Rs. [•] lakhs being upto 50% of the Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Red Herring Prospectus or RHP	Means the document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening

	Date. It will become a Prospectus after filing with RoC after the pricing and allotment
Registrars / Registrars to the Issue	Registrars to the Issue, in this case being Beetal Financial & Computer Services (P) Limited
RoC / Registrar of Companies	Registrar of Companies, National Capital Territory of Delhi and Haryana situated at New Delhi
Retail Portion	Consists of 32,90,000 Equity Shares of Rs. 10 each aggregating Rs. [•] lakhs, being at least 35% of the Net Issue, available for allocation to Retail Individual Bidder(s).
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than Rs. 100,000.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
Syndicate Agreement	Agreement to be entered into amongst the BRLMs, Syndicate Member(s) and the Company in relation to the collection of Bids in the Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs and in this case, being Allianz Securities Limited and Almondz Capital Markets Private Limited
TRS or Transaction Registration Slip	The slip or document registering the Bids, issued by the Syndicate Members to the Bidder as proof of registration of the Bid on submission of the Bid cum Application Form in terms of this Red Herring Prospectus
Underwriters	The BRLMs and the Syndicate Members

COMPANY/INDUSTRY RELATED TERMS/DEFINITIONS

Articles of Association	Articles of Association of Oriental Trimex Limited
ACD	Additional Customs Duty
Auditors	Mehra Wadhwa & Co., Chartered Accountants, New Delhi
BG	Bank Guarantee
CVD	Counter Veiling Duty
Company/OTL	Oriental Trimex Limited
Committee	Committee of Board of Directors of Oriental Trimex Limited authorized to take decisions on matters related to/incidental to this Issue.
CAPEXIL	Chemical and Allied Products Export Promotion Council.
CBM	Cubic meter
D.G. Set	Diesel Generator Set
EXIM	Export-Import
ISFTA	Indo Sri Lankan Free Trade Agreement
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
PD	Provisional Duty Bond
PP	Personal Penalty
NCR	National Capital Region covering Delhi, Rajasthan, Uttar Pradesh and Haryana
RF	Redemption Fine
SAARC	South Asian Association for Regional Cooperation
SAPTA	South Asian Preferential Trade Agreement
SIL	Special Import License
SIA	Secretariat of Industrial Assistance

Abbreviations of General Terms

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
DRHP	Draft Red Herring Prospectus
EPS	Earning Per Share
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
Gol/Government	Government of India
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, NCT of Delhi and Haryana
ROE	Return on Equity
RONW	Return on Net Worth
Rs.	Rupees
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
Sec.	Section
US	United States of America
USD/ US\$/ \$	United States Dollar

CERTAIN CONVENTIONS; USE OF MARKET DATA

In the Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. All references to "India" contained in this Red Herring Prospectus are to the Republic of India.

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

For additional definitions, see the section titled 'Definitions and Abbreviations' on page (a) of the Red Herring Prospectus. In the section titled 'Main Provisions of Articles of Association of the Company' beginning on page 149 of the Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company.

In the section titled 'Main Provisions of Articles of Association of the Company' beginning on page no. 149 of the Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company. Market data used throughout the Red Herring Prospectus has been obtained from industry publications and appraisal report or internal Company reports. 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 the Company believes market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS; MARKET DATA

Statements included in this Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expression or variations of such expressions, that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others: -

- General economic and business conditions in India and other countries
- Regulatory changes relating to the marble and granite industry in India and its ability to respond to them
- Ability to successfully implement Company’s strategy, growth and expansion, technological changes, Company’s exposure to market risks that have an impact on its 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 industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities
- Change in political condition in India

For further discussion of factors that could cause actual results to differ, see the section titled “Risk Factors” beginning on page no. iii of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company 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, the Company, and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in equity involves a higher degree of risk. Investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in equity shares of the Company. Any of the following risks as well as other risks and uncertainties discussed in this Red Herring Prospectus could have a material adverse affect on business, financial condition and results of operations and could cause the trading price of Equity Shares of the Company to decline, which could result in the loss of all or part of your investment.

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

INTERNAL TO THE COMPANY

1. Criminal Case is pending against the Promoter and Director

Criminal Case is filed and pending against Mr. Rajesh Punia, promoter of the Company in the court of District and Session Judge, Delhi, relating to death of a labour while off-loading marble slabs in the Company's godown at Delhi. The case is pending for evidence and decision. The Company has paid compensation to the wife of the deceased labour and she along with her son and nephew have filed their affidavit in the Court that they do not wish to pursue the case against the director of the Company since the incident was a mishappening. For further details, please refer to Section "Legal and other Information" on page 104 of this Red Herring Prospectus.

2. The Company's inability to manage growth plans may lead to loss of opportunities and may hamper its future growth

The Company has witnessed over 125% increase in income from its processing activities i.e. from Rs. 1777.28 lakhs during financial year 2004-05 to Rs. 4030.02 lakhs in 2005-06. Further, the Company is having installed capacity of marble processing of 12,600 MTPA and after expansion at various units, the total installed capacity for marble processing would be 50,400 MTPA i.e. an increase of 300%. The existing utilized capacity of the marble processing unit is 125% (on an annualized basis). The total cost of expansion project, including proposed granite processing, as appraised by its Banker, is Rs. 4720.25 lakhs. Any inability to successfully implement project of this size and manage this growth may adversely affect Company's business operations and in turn financials.

Management Proposal: The management of the Company is experienced in commissioning of the stone processing facilities as it successfully commissioned its Greater Noida factory in the year 2001. Moreover, the proposed expansion projects of the Company are in the same line of activity and have also been appraised by its Banker viz. The Jammu & Kashmir Bank Limited, and the bank is also participating in the project by extending a term loan of Rs. 720 lakhs.

3. The Company has witnessed over 125% increase in income and 380% increase in net profit after tax i.e. from Rs. 1777.28 lakhs during the financial year 2004-05 to Rs. 4030.02 lakhs in 2005-06 and from Rs. 57.54 lakhs to Rs. 276.25 lakhs respectively. The Company may not be able to sustain these growth levels in future in terms of income or profitability.

4. The Company does not have adequate import license to meet its existing and future raw material requirements for marble processing units

The Company does not have adequate import license to meet its existing and future raw material requirements viz. rough marble blocks and the Company is now dependent more on indigenous raw material viz. marble slabs in comparison to imported raw material. The consumption of imported raw material reduced from 86.24% to 38.15% and consumption of indigenous raw material increased from 13.76% to 61.85% during F.Y. 2004-05 to 2005-06 respectively. The Company is relying more on import of semi-processed marble slabs, for which import license is not required and also on indigenously available raw material. However, the import of rough marble blocks are regulated by Government of India and can only be imported under import license issued by Directorate General of Foreign Trade. As per the EXIM Policy, the total import by all the processing units in India can not exceed 1.30 lakhs MT per licensing year. Further, the entitlement of individual eligible firm will be worked out on the basis of turnover of each of the eligible firms in the preceding year. If the entitlement of the Company on this basis does not increases substantially, the Company will have to rely heavily on marble slabs which will be available internationally and indigenously, the cost of which may vary from the imported raw material. This may adversely affect financial position of the Company.

Management Proposal: The Company at present is relying on imported and domestic raw material and has not faced any problem in its procurement. Indigenous raw material i.e. rough marble blocks / slabs are easily available in the country. For details of raw material suppliers (imported and indigenous), please refer to section titled "Existing Business" beginning from page no. 52 of this Red Herring Prospectus.

5. There are some restrictive covenants / conditions in the EXIM policy / guidelines for import of marbles.

As per the revised EXIM Policy effective from August 31, 2005, there are some restrictive covenants / conditions which

states that licenses for import of marble will be given only to those units who have set up manufacturing / processing units and have made imports of these items in the preceding years when these items were under Special Import License (SIL) list. 4/5 star hotels, temples / trusts of international repute will no longer be allowed to import marble blocks / slabs directly as per the said policy. Further, the total entitlement of licenses to be issued for import of marble blocks to all units put together in India is subject to a ceiling of 1.30 lakhs metric tones per licensing year. Any increase in requirement of eligible firms will affect the total import requirement of the Company. The entitlement of individual eligible firm will be worked out on the basis of the turnover of each of the eligible firms in the preceding year. Any change in EXIM policy in respect of eligibility of import of marbles, may directly affect in procurement of imported raw material of Company which in turn may adversely affect operations of the Company. For details, please refer to section "Regulations and Policies" appearing on page no. 64 of this Red Herring Prospectus.

Management Proposal: The prevailing import restrictions restricts the entry of the new entrepreneurs since the import license is issued to only those entities who have set up processing/manufacturing facilities in India and also imported marble during the year when marble was under SIL list (1999-00, 2000-2001). These restrictions in a way reduce the competition for the Company.

6. Import of semi processed marble slab is subject to value cap under EXIM policy

The Company is importing semi processed marble slabs for which import license is not required but the same is subject to value cap of USD 2700 per cubic meter under EXIM Policy to restrict the imports below the value cap. This may affect the cost of raw material thereby adversely affecting the profitability of the Company.

Management Proposal: The Government of India imposed these restrictions in EXIM policy to protect the domestic stone industry and fixed the value cap of USD 2700 per cubic meter so that cheaper marble is not dumped into India which may adversely affect the interests of the domestic stone industry. The Company imports semi processed marble slabs in large quantities keeping in view demand and quality, thus, the value cap for the same does not materially adversely affect the cost / profitability of the Company.

7. The Company has not placed orders for plant and machinery

The Company is yet to place orders for the plant and machinery proposed to be installed at various locations/units as part of its expansion project except for Rs. 15.40 lakhs against total requirement of Rs. 1584.80 lakhs. Any delay in placing the orders or procurement of plant and machinery may delay implementation schedule. Such delays may also lead to increase in prices of these equipments further affecting the cost.

Management Proposal: The Company has already received quotations for the plant and machinery proposed to be installed. The orders for these machineries will be placed at the time of execution of these projects independently.

8. The Company has not purchased the required land

The Company has not yet purchased the land for setting up processing units at Bangalore and for retail outlet at Delhi. The Company has yet to purchase part of additional land at Kolkatta as part of its expansion plans. Any delay in acquisition of the required land may delay the implementation schedule which may adversely affect cost of total project.

Management Proposal: The Company will be acquiring the requisite land after the receipt of issue proceeds.

9. The Company has negative cash flows

The Company had negative cash flow of Rs. 2.22 lakhs during F.Y. 2004-05 and Rs. 38.69 lakhs during the period ended on December 15, 2006.

Management Proposal: During F.Y. 2004-05, the Company had a net profit after tax of Rs. 57.54 lakhs and said negative cash flow of Rs. 2.22 lakhs was mainly on account of purchase of fixed assets amounting to Rs. 91.60 lakhs during the said financial year. During the period ended on December 15, 2006 the Company had negative cash flow of Rs.38.69 lakhs which was due to increase in inventory, trade and other receivables.

10. There has been a revision in the total cost of project as initially appraised by Jammu and Kashmir Bank

The project of the Company has been appraised by Jammu and Kashmir Bank Limited and the total cost of the project as per their appraisal note is Rs. 4720.25 Lakhs. The Company expects to incur more expenditure on public issue expenses over and above already provided in the said project cost. The Company has also now kept provisions for general corporate purposes, which were not provided earlier. The Company cannot assure of any further change in project cost, which may happen at the time of finalization of cost of plant & machinery, fluctuation in foreign exchange, or any other factor(s), beyond the control of Company, which in turn may adversely affect total cost of project. For details in respect of total cost of project, please refer to the section "Objects of Issue" appearing on page 20 of this Red Herring Prospectus.

Management Proposal: The total cost of project as appraised by Jammu & Kashmir Bank Limited is Rs. 4720.25 lakhs, which included cost of land for setting up granite processing unit at Balasore, Orissa for Rs. 18.29 lakhs, which was

acquired by the Company in the year 2003, and part of land for Kolkatta unit for Rs. 12.55 lakhs, which was acquired in the year 2004. Therefore, the total cost of said land acquired in 2003 and 2004 amounting to Rs. 30.84 lakhs has now been reduced from the project cost. Further, the Company has now kept provisions for general corporate purposes and expecting additional expenditure on public issue expenses, which may result in increase in total cost of project from Rs. 4720.25 lakhs.

11. Any delay in the commencement of operations as scheduled as per the proposed expansion plans are subject to the risk of cost and time overruns

There has already been delay in implementation of project for 9-10 months as envisaged in the appraisal note. The Company's expansion plans are subject to a number of contingencies, including foreign exchange fluctuations, changes in laws and regulations, government action, delays in obtaining approvals, delays in getting requisite land, inability to obtain machinery and other supplies at quoted or at acceptable terms, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond its control. The Company, therefore, cannot assure that the costs incurred or time taken for implementation of these plans will not vary from the estimated parameters or as appraised by the appraising agency.

Management Proposal: The Company has already kept provision for contingencies for any cost overrun in the total project cost.

12. The Company is exposed to foreign exchange related risks

During financial year 2005-06 and 2004-05, the Company's consumption of imported raw material was 38% and 86.24% respectively. After the expansion projects i.e. setting up of the proposed marble processing units, the quantum of imported raw material may change. The fluctuations in foreign exchange rates might have an impact on the financial performance of the Company. Further, approximately 44% of total plant and machinery that the Company proposes to install is imported and there has already been an increase of Rs. 57.61 lakhs in the total cost of project on account of foreign exchange fluctuation and any further change in foreign exchange rates may adversely affect import cost, which in turn adversely affect total cost of project.

Management Proposal: The management intends to take foreign exchange forward cover to hedge the risk of foreign exchange fluctuation, whenever required. Any adverse effect on the exchange rates against the estimates that may result in increasing the cost of imported machinery for which the Company has provided for contingencies in the project cost.

13. Disbursement of term loan for the project is contingent upon the success of the Issue

One of the terms and conditions for disbursement of the term loan is contingent on the satisfaction of raising the requisite funds through IPO. In case of any shortfall or failure to mobilize resources from IPO, the bank will not disburse any balance amount of term loan and the expansion has to be undertaken by the Company from internal accruals. If the Company fails to mobilize resources as per its plans or delay on its part to mobilize required resources, the disbursement of funds may be delayed and in turn may adversely impact the project and the future profitability.

Management Proposal: If for any reason, the Company fails to mobilize resources as per its plans, the Company will accordingly reduce its capital expenditure depending upon the availability of resources.

14. Inability / delay in getting approvals and environmental clearances required to set up and operate the proposed projects may lead to cost / time overruns.

The Company is yet to receive renewal of consent for Air & Water pollution from Uttar Pradesh Pollution Control Board for Greater Noida Unit, which expired on December 31, 2006. Further, the Company is yet to apply for statutory approvals, clearances including environmental clearances, permissions, utility connections for various processing units and retail outlet proposed to be setup. If any permission are not received in time or received on unfavourable terms, it could affect the implementation of the objects of the Issue.

Management Proposal: The Company is yet to acquire land at Bangalore, Kolkatta and Delhi for its expansion plans and would be applying for various statutory approvals, clearances, permissions, utility connections after acquisition of land. In respect of Greater Noida Unit, the Company has applied for renewal of consent vide their letter dated December 25, 2006.

15. The Company does not own the trademark "Oriental"

The trademark "Oriental" is not owned by the Company. The Company has acquired rights for using the trademark through a trade mark license agreement from its promoter group company. Any adverse event or non-renewal of agreement after expiry of the term, may give rise to conflict of interest.

Management Proposal: The Company has acquired rights for using the trademark "**Oriental**" from its group Company viz. Oriental Tiles Limited, through a trade mark license agreement dated April 1, 2006, valid for ten years and for a total consideration of Rs. twenty lakhs. The license is exclusive, non-transferable, royalty free license to use the trademark in

connection with the marble and granite products throughout the territory. The Company does not foresee any problem in renewal of the said agreement after its expiry.

16. Maintenance of high inventory levels

The Company would be required to maintain inventory of finished products of various varieties in the Company's display centres, retail outlets and godowns. Failure to identify any change in customer preference and evolving trends could adversely affect its business operations.

Management Proposal: The management of the Company remains in constant touch with the developments in the field of construction, infrastructure development, changing preferences of consumers in overseas and Indian markets and accordingly the Company customizes its selection of raw material and maintenance of inventory.

17. Selection of basic raw material is the key factor

Lot of experience / judgement is required in selection and marking of rough marble/granite blocks. Any error of judgement in purchase of rough blocks may adversely affect Company's operations.

Management Proposal: The management of the Company has over ten years of experience in selection of these blocks and based on its experience, it has also identified suppliers for its requirement and does not envisage any problem in this respect.

18. Entry of new materials substituting marble and granite

The ever changing life style of people is pre-dominant factor to determine the choice of masses in future. Past few years witnessed substituting cemented floors and slabs by these marble and granite. The introduction of a new stone/material into the market may pose a threat to marble / granite usages which in turn adversely affect Company's operations.

Management Proposal : Usage of marble / granite is in existence in India for last so many years because of its inherent characteristics like durability, hardness, heat and scratch resistance. Marble and Granite is preferred over other stones due to low wear and tear and natural characteristics.

19 The Company may not be fully insured for business losses, which it might incur

The Company has not taken any insurance for protecting it from future business losses and in the event of such losses incurring, the operations of the Company may be affected.

Management Proposal: The Company plans to have complete cover for all its tangible assets and public liability to reduce the business loss, if any, and also plans to take forward cover for its forex transactions as and when deemed fit and authorized by the Board of Directors of the Company.

20. Dependence on third party transportation

The Company is dependent on third party transportation providers for the supply of raw materials and the delivery of its products to its customers as well as between its production facilities. The operations of the Company may adversely be affected by transportation strikes and / or fluctuations in freight costs.

Management Proposal: The Company has been using the services of various transport providers since its inception and has not faced any major problem in its operations.

21. The business of Company is dependent on its manufacturing / processing facilities. The shutdown of operations at any of its unit may have an adverse effect on its business, financial condition and results of operations.

The Company's processing facilities are subject to operational risks, such as the breakdown or failure of equipment, power supply or processes, obsolescence, labour disputes, strikes, lock-outs, natural disasters and industrial accidents. The occurrence of any of these risks could significantly affect Company's operating results.

Management Proposal: The Management of the Company plans to lay down procedures to minimize the operational interruptions at its different units due to natural and unnatural disasters and intends and undertakes to take adequate insurance cover of its tangible assets and public liability at the time of creation of these assets.

22. Limited machinery for existing operations runs the risk of break down or failure

The Company has only one gangsaw machine for cutting marble blocks at its existing location in Greater Noida. In case of failure or break down of this gangsaw machine the Company might be at risk of loss of production that might affect their delivery schedule and in turn operations and profitability.

23. Processing facilities at different locations may impose logistic problems

The companies processing facilities will be located in different regions viz. Eastern (Kolkatta and Orissa), Southern (Bangalore) and Northern (Delhi & Greater Noida) after the expansion. These scattered facilities may impose problems in terms of managing the operations.

Management Proposal: The Company intends to recruit experienced and qualified manpower at various units to enable it to handle operations and logistics smoothly. The requisite manpower will be recruited at the time of commencement and operationalisation of the various projects.

24. The Company is promoted by first generation entrepreneurs and the investors will be subject to all consequential risk associated with such ventures.

Management Proposal: The Company has employed a team of professionals in key areas of production, mining, marketing and finance with sufficient experience to look after day-to-day operations of the Company.

25. The Company does not own its Registered and Corporate Office and has taken these premises on lease.

The Company has taken Registered Office on lease on April 6, 2006 from third party i.e. Mrs. Lalita Khanna, for a period of 11 months and Corporate Office has been taken from one of the Promoter i.e. Mrs. Savita Punia for a period of five years with effect from January 1, 2006. The non-renewal of any of these lease agreements may adversely affect business operations of the Company.

Management Proposal: The terms and conditions of the lease agreement permit the renewal of the same. The Company does not foresee any difficulty in renewal of the said agreement.

26. Some of the properties of the Company are on lease for which the lease agreements have not been duly stamped.

The lease agreements entered into with the lessor are not registered and adequately stamped for three leasehold properties viz. Chennai retail outlet, Delhi retail outlet and Corporate Office. In case of any dispute with the lessors, the agreements can not be considered as valid and legally binding, which in turn gives rise to legal dispute and adversely effect its operations.

Management Proposal: The management does not perceive any risks of any nature in this regard, as one of the premises has been taken from one of the Promoter and with respect to others the management has a cordial relationship with the lessors and both parties have mutually agreed not to get the lease deed registered.

27. The Company's property located at District Balasore, Orissa is pending lease execution by Orissa Industrial Infrastructure Development Corporation.

The Company has acquired the property situated at Plot no. 4, Industrial Estate, Somnathpur, District Balasore, Orissa with total area of seven acres (3,04,920 sq.ft. approx), which was originally leased to M/s Grapco Granite Limited by Orissa Industrial Infrastructure Development Corporation, through the auction process of Debt Recovery Tribunal, Kolkatta vide Sale Deed dated December 31, 2003 at a total consideration of Rs. 15.81 lakhs including overdues. However the lease deed is pending execution by Orissa Industrial Infrastructure Development Corporation. In case the lease deed is not transferred in the name of the Company or there is a delay in execution of the lease deed, this may adversely affect expansion plans of the Company.

Management Proposal: Orissa Industrial Infrastructure Development Corporation has agreed in-principle to transfer the lease of the afore-said land in favour of the Company vide their letter dated September 21, 2005. Further, the Company has received a letter dated November 28, 2006 from Orissa Industrial Infrastructure Development Corporation whereby they have communicated certain terms and conditions for getting the lease registered. The Company is in the process of complying with the said conditions. The Company does not envisage any risk as to the non-transference of the said lease or un-necessary delay in the execution of the lease deed otherwise than in the normal course of its business. The said property is in possession of the Company since December 31, 2003.

28. The loss of the services of key management personnel could adversely affect the Company's business.

The Company's success depends in part upon the continued services of its key directors and members of senior management. If the Company loses the services of any of these individuals, its ability to realize its objectives could be impaired, which in turn could have an adverse effect on the development of Company's business. The Company may also find it difficult to find and integrate suitable replacement personnel in a timely manner. There can be no assurance that the Company will not lose the services of its key employees and any such losses could have a material adverse effect on the Company's financial condition or results of operations.

Management Proposal: The Promoters of the Company are experienced in marble and granite industry and they would put in place human resource development function for timely availability of people to assume management position as opportunity arises. The projects are proposed to be set up either in big cities or adjacent to the metros wherein the availability of professional and technical manpower shall not be a problem.

29. Litigations outstanding against the Company and its directors

The Company, its Promoter and group company are involved in civil, customs and trade tax related litigations which are at different levels of adjudications at various forums. Summary of these cases is as follows:

Particulars	Number of Cases	Details	Amount involved (wherever quantifiable)
Cases filed against the Company			
Civil	1	One civil writ petition filed against the Company. The details of the same are appearing on page no. 104	Not ascertainable
Cases filed by the Company			
Civil Cases	1	One recovery suit has been filed by the Company. The details of the same are appearing on page no. 104	The total amount involved is Rs. 3.11 lakhs
Customs and Trade Tax	5	Cases under Customs and U.P.Trade Tax filed by the Company. The details of the same are appearing on page no. 106-108	The total amount involved is Rs. 10.46 lakhs
Criminal Cases	4	The Company has filed four cases against its customer u/s 138 of Negotiable Instrument Act. The details of the same are appearing on page no. 105	The total amount involved is Rs. 1 lakh.
Cases against the Promoter / Director			
Civil case	1	One civil case for recovery has been filed against Mr. Rajesh Punia, where he stood continuing guarantee in his personal and individual capacity for the loan facilities taken by Smt. Ruchi Bedi (third party). The details of the same are appearing on page no. 109	Recovery amount involved is Rs. 1.80 lakhs along with pendente lite and future interest @ 11%.
Criminal case	1	Promoter / Director of the Company relating to death of a labour during handling of material. The details of the same are appearing on page no. 109	Amount is not ascertainable.
Cases filed by the Promoter Group Company			
Customs cases	14	The company has filed various Custom Writ Petitions, the details of the same are appearing on page no. 110-118.	The total amount involved is Rs. 11.67 lakhs

For more information regarding litigations, please refer to section titled "Legal and other information" beginning on page 104 of this Red Herring Prospectus.

30. The Company has following contingent liabilities not provided for in the books of accounts under Indian Accounting Standards, and in case, any of these contingent liabilities materializes, the Company's profitability could be adversely affected.

(Rs in Lakhs)

Particulars	For the period ended December 15, 2006
Letters of credit	203.60
Bank Guarantees	59.80
Guarantee issued to Customs Authorities	8.89
Claims against the Company not acknowledged as debts (net of deposit)	
- Income tax	-
- Sales Tax	12.32
- Excise	23.73*

*The liability relates to the Central Excise Duty demand which was pending before the Deputy Commissioner Central Excise, Noida (Uttar Pradesh). The Company has received order dated March 20, 2006, through which the Department has dropped the demand by deciding the case in favour of the Company.

- 31. In the past 12 months, the Company has issued 11,70,000 Equity Shares at Rs. 10/- per Equity Shares to Promoter and Promoter Group, which may be at a price lower than the lower end of the Price Band for the Equity Shares being offered in this Public Issue. The details of such issuances are listed in section “Capital Structure” appearing from page no 11 of this Red Herring Prospectus.**

Date of allotment/ Date of acquisition	No. of Equity Shares	Face Value (Rs.)	Issue Price Per Equity Share (Rs.)	Mode of Transaction
May 17, 2006	11,70,000	10	10	Cash

- 32. Some of unsecured loans availed by the Company may be payable on demand by the lenders**

The Company has availed total unsecured loans aggregating to Rs. 191.24 lakhs as on December 15, 2006, out of which Rs.56.54 lakhs is from the promoters which is 12.90% of the total related party transactions. If the lenders call these loans, fully or partly, the Company's financial condition could be adversely affected.

Management Proposal: Considering the volume of business and scale of operations in the relation to the quantum of unsecured loans, the Company does not foresee any problem in meeting any such contingency.

- 33. Promoter Group / associate companies have business interest in the Company. Further, the Company can have potential conflict of interest with these companies.**

The group companies have number of financial and business transactions with the Company. The total value of related party transactions during from April 1, 2006 to December 15, 2006 is Rs. 438.36 lakhs. For details, please refer to section titled “Related Party Transaction” appearing on page no. 79 of this Red Herring Prospectus. In addition, object clauses of memorandum of association of all the other Promoter Group Companies authorizes them to carry on the activities relating to manufacturing, processing, importing, exporting, designing etc. of marbles, granite and all kinds of stones. Currently, all the Promoter Group / associate companies are into trading of marble and granite but none is having facilities for marble processing except Colombo Stones Industries Private Limited, a Company incorporated in Sri Lanka. If in future, they decide to get into marble processing, it may lead to conflict of interest.

Management Proposal: The management has started reducing in other group companies in a phased manner. For details of the financials of the group companies and the steps taken by the promoters to discontinue the business in group companies, please refer to sections titled “Promoters” and “Promoter Group Companies/ Entities” beginning from page no. 75 and page no. 77 of this Red Herring Prospectus.

- 34. Non fulfilment of export obligations in future**

The Company has already imported one Volvo Excavator in the year 2004 under export promotion capital goods (EPCG) for which the Company has export obligation of Rs.114.40 lakhs which is required to be fulfilled by 2012. Further, the Company is planning to import plant & machinery and equipments under EPCG scheme which would result in additional export obligation of Rs. 1938.72 lakhs. The export obligations are required to be fulfilled as per the terms and non-fulfilling of the same would result in levy of penalty and / or interest for any defaults on case to case basis, details of which are given under section titled “Existing Business” appearing on page no. 52 of this Red Herring Prospectus.

Management Proposal: The Company has plans to export granite blocks and processed granite slabs which would be available from its mining operations and / or from proposed granite processing unit at Balasore (Orissa). The Company does not envisage any problem in fulfilling its export obligations within stipulated time period.

- 35. The Company is not registered under Shops and Establishment Act for its retail outlet in Chennai and for Gurgaon project site.**

The Company is not registered under Tamil Nadu Shops and Establishment Act, 1947 in respect of its retail outlet in Chennai. The Company had also not taken registration under Punjab Shops and Establishment Act, 1958 for its Gurgaon project site which completed in July, 2006. Any penalty or action by the respective regulatory authorities may adversely impact Company's operations to that extent.

Management Proposal: The Company has applied for registering itself under Tamil Nadu Shops and Establishment Act, 1947 for its Chennai retail outlet and is awaiting response from the concerned authority. The Company had not applied for registration under Punjab Shops and Establishment Act, 1958 for its gurgaon project site as the project has been completed in July, 2006.

- 36. One of the promoter group Company viz. Deepali Granites Private Limited, which has taken over the business of Deepali International, a partnership firm was incurring losses during last 3 financial years.**

Deepali International, a partnership firm incurred losses to the extent of Rs. 0.06 lakhs, Rs. 0.51 lakhs and Rs. 0.73 lakhs during financial year 2002-03, 2003-04 and 2004-05.

- 37. The post issue Promoter holding in the Company will reduce from 99.98% to 39.37% in which case, the Promoters would not be in a position to ensure that resolutions proposed by them are passed.**

The Promoters and the promoter group are expected to hold 39.37% of the post-issue paid up capital of the Company. The Promoters and their group will hold relatively less equity in the Company post-issue, and as such would not be in a position to ensure that resolutions proposed by them are passed at the Board and / or shareholder level. Accordingly, the decision of the Promoters could be hampered which could in turn affect operations of the Company.

EXTERNAL RISK FACTORS

1. ***Changes in Government policies may affect Company's operations adversely.***

The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The Company cannot assure that these liberalization policies of the government will continue in the future. Protests against liberalization could slow down the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, and foreign investment, currency exchange rates and other matters affecting investing in securities of the Company could change as well. Further, any adverse change in Government policies relating to Stone Industry in general or EXIM policy of rough marble blocks / slabs in particular may have an impact on the operations and profitability of the Company.

Withdrawal of any support by the supporting parties to the current Indian Government due to any reason could result in political instability, which may have an adverse impact on capital markets and investor confidence.

2. ***Global competition***

The Company operates in a global competitive business environment and the growing competition may force it to reduce the price of its products, which could affect its financials.

3. ***Force majeure events, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect the Company's business, results of operations, financial conditions and cash flows.***

Certain force majeure events, being beyond the Company's control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of the Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of the Company.

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

Taxes and other levies imposed by the Central or State Governments in India that affect Stone industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently the Company benefits from certain tax benefits that results in a decrease in the effective tax rate compared to the tax rates that the Company estimate would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future.

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

- Volatility in the Indian and Global securities market;
- The results of operations and performance;
- Perceptions about the future performance or the performance of Indian marble processing companies;
- Performance of the Indian Economy.

6. ***Shareholders will bear the risk of fluctuation in the price of Equity Shares***

No assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of market. The market price of Equity Shares may be affected by fluctuations in the stock markets and it is impossible to predict whether the price of the Equity Shares will rise or fall. Trading prices of the Equity Shares will be influenced by, among other things, financial position and the results of operations of the Company and political, economic, financial and other factors.

Notes to Risk Factors:

1. The Net worth of the Company as per the financial statements of the Company before the Issue is Rs. 1004.52 lakhs for the period ended on December 15, 2006 and the size of Public Issue is Rs. [•] lakhs.

2. The average cost of acquisition of Equity shares of the Promoters is as follows:-

S.No	Name of Promoter	Average Cost of Acquisition (Rs.)
1	Rajesh Punia	6.24
2	Savita Punia	5.28

3. The Book value as on December 15, 2006 is Rs. 18.25 per Equity Share of Rs.10/- each.
4. The present Issue is of 1,00,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share aggregating to Rs. [•] Lakhs. The issue comprises of promoters contribution of 6,00,000 Equity Shares at a price of Rs. [•] per Equity Share aggregating Rs. [•] lakhs. The net issue to public is of 94,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share aggregating to Rs. [•] lakhs.
5. There are other ventures of promoters having business interests/ other interests in the Company viz. Oriental Tiles Limited, Oriental (Buildmat) Exports Private Limited, Deepali Granites Private Limited and Colombo Stone Industries Private Limited, Sri Lanka.
6. Other than as disclosed in the "Related Party Transactions" aggregating to Rs. 438.36 Lakhs appearing on page no. 99 of this Red Herring Prospectus, the promoters / directors / key management personnel of the Company have no interest other than reimbursement of expenses incurred or normal remuneration or benefits.
7. No loans and advances have been made to any person(s) / Companies in which the Director(s) of the Company are interested except as stated in the Auditors Certificate. For details please refer to section titled "Financial Information of the Company" on page. 103 of the Red Herring Prospectus.
8. The Investors are advised to refer to the Para on "Basis for Issue Price" on page no. 47 of this Red Herring Prospectus before making any investment in this Issue.
9. The Investors may contact the Book Running Lead Managers to the Issue or the Compliance Officer for any complaint / clarification / information pertaining to the Issue, who will be obliged to attend to the same.
10. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Group Companies.

SECTION III

INTRODUCTION

You should read the following summary with the risk factors beginning on page iii of this Red Herring Prospectus and the more detailed information about the Company and its financial statements included in this Red Herring Prospectus.

Following is the summary of more detailed information about Oriental Trimex Limited and its financial statements included in the Red Herring Prospectus, which may be read with risk factors stated on page No. iii of the Red Herring Prospectus.

Overview of the Company

Oriental Trimex Limited is engaged in the business of cutting, polishing and processing of imported and indigenous marble, trading of decorative stones including granite and processing thereof. The Company's existing marble processing plant is situated at Greater Noida, Uttar Pradesh.

The Company was incorporated as Private Limited Company in 1996 and has been engaged in the business of trading of building material, decorative stones including marble and granite since its incorporation. Later in 2001, the Company commissioned marble processing unit at Greater Noida with a licensed and installed capacity of 12,600 MT per annum, whereby the Company initiated the process of processing of imported as well as indigenous rough marble blocks into slabs/tiles as a result of which the Company's turnover increased by 57% in the subsequent year. Presently, the Company imports rough marble blocks from Middle East, South East Asian Countries, Greece, Egypt, Spain, Turkey, Italy and sells it after processing in the domestic market to institutional as well as retail customers either directly or through wholesalers. The Company also imports semi processed marble slabs from above mentioned countries including Srilanka apart from sourcing the marble blocks as well as slabs indigenously.

Apart from the marble business, the Company has secured mining right for two quarries for extracting decorative stone which include granite at Rairangpur and Behrampur in Orissa measuring 6.90 acres and 38.14 acres respectively. The extraction work has commenced in both quarries at Rairangpur and Behrampur. However the dispatch of material from Behrampur mine has not yet commenced. Further, the Company has applied for securing ten additional decorative stone quarries in the State of Orissa.

The Company is ISO 9001:2000 Certification vide certificate number I/QSC-1099 from Kvalitet Veritas Quality Assurance in the year 2005 for import, stocking, processing and supplying rough / finish marble, granite and other natural stones.

The Company's products are used in construction of residential/commercial buildings, hotels, hospitals, restaurants, etc. and in all other good quality flooring. The Company is marketing its products throughout India and has Sales and marketing Depot cum Offices at Delhi, Kolkata and Chennai.

Business Strategy

The Company's vision is to prove its existence in the competitive market as one of the major player in the marble and granite industry, by processing marble and granite products under one roof.

The Company's business strategy envisages the following:

- Setting up of marble processing units at different locations within India to get the benefit of reduction in transportation and material handling costs.
- To provide availability of Company's products to consumers at major locations within the country by setting up retail outlets and through wholesalers.
- To develop mining and processing of granite.
- To strengthen Company's presence in international market by exporting granites.

Summary of Financial/Operating Data

STATEMENT OF AUDITED PROFIT AND LOSS AS RESTATED

(Rupees in Lakhs)

Year ended 31st March	2002	2003	2004	2005	2006	For period ended December 15, 2006
INCOME						
Sales & Job Work of						
-Products manufactured by the Company	1,341.85	1,071.99	1,955.66	1,616.03	4,088.09	3773.74
-Products Traded by the Company	68.74	20.39	398.15	884.88	985.63	1040.04
-Other Income	12.24	9.11	18.99	20.47	18.87	31.72
Increase Decrease in Inventory	225.35	264.41	(112.68)	19.94	111.57	477.96
Total Income	1,648.18	1,365.90	2,260.12	2,541.32	5,204.16*	5323.46
EXPENDITURE						
Raw material & goods consumed	1,475.68	1,055.95	1,835.96	2,017.75	4,104.56	4381.84
Staff Cost	18.57	29.13	60.71	78.63	130.16	107.14
Other manufacturing expenses	11.50	62.54	73.36	125.31	244.45	132.40
Admininstration, Selling & Distribution Costs	64.01	67.61	114.18	116.29	173.73	145.28
Interest	29.23	70.04	73.57	87.82	117.62	120.52
Depreciation	1.57	10.91	14.05	17.21	20.20	16.49
Miscellaneous Expenditure Written off	0.06	0.06	0.06	0.06	0.06	-
Total Expenditure	1,600.62	1,296.24	2,171.89	2,443.07	4,790.78	4903.66
Net profit before tax and extraordinary items	47.56	69.66	88.23	98.25	413.38	
Provision for taxation	9.00	25.32	32.93	40.71	137.14	142.93
Net profit after tax & before extraordinary items	38.56	44.34	55.30	57.54	276.25	276.87
Extraordinary items (net of tax)	-	-	-	-	-	-
Net Profit after extraordinary items	38.56	44.34	55.30	57.54	276.25*	276.87
Earlier year adjustment	(0.48)	(0.40)	(2.02)	(0.22)	(0.83)	(0.10)
Net Profit as restated	38.08	43.94	53.28	57.32	27.42	276.77
Appropriations						
- Transfer to General Reserve	3.00	10.00	10.00	10.00	40.00	-
- Proposed dividend	-	-	-	6.81	-	-
- Interim Dividend	-	-	17.02	-	26.00	-
- Dividend Tax	-	-	2.18	-	3.65	-
Balance carried to Balance Sheet	35.08	33.94	24.08	40.51	205.77	276.77

***Note:** The increase in the turnover and in turn profitability of the Company during the financial year 2005-06 is mainly on account of increase in construction activities all over the country during this period; increasing demand of the Company's products with the institutional, corporate buyers, increase in demand of marble products in the retail market which is being catered through the wholesalers and retailers. Further, the import policy for import of rough marble blocks/slabs was modified on August 31, 2005, and according to the revised policy, the licenses for import of marble would only be given to only those units who have set up manufacturing / processing units and have made imports of these items in the preceding years when these items were in SIL list

STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rupees in Lakhs)

Year ended 31st March	2002	2003	2004	2005	2006	For period ended December 15, 2006
A Fixed assets - Gross Block	239.00	328.90	366.27	457.87	502.63	536.60
Less: Depreciation	4.20	15.12	29.17	46.37	65.91	82.40
Net Block	234.80	313.78	337.10	411.50	436.72	454.20
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	234.80	313.78	337.10	411.50	436.72	454.20
B Investments	-	-	-	-	-	-
C Current assets, loans & advances						
- Inventories	362.96	545.73	507.46	583.90	832.92	1,240.51
- Receivables	533.61	476.76	681.42	607.97	1,061.33	1,663.93
- Cash and bank balances	7.02	40.40	45.21	42.99	143.94	105.26
- Other current assets	38.96	48.78	54.62	56.60	159.41	389.29
- Loans and advances	6.60	10.50	10.50	8.40	8.40	8.40
Total	949.15	1,122.17	1,299.21	1,299.86	2,206.00	3,407.40
D Liabilities & Provisions						
- Secured Loans	308.49	455.29	413.31	585.50	901.35	1,275.63
- Unsecured Loans	117.81	266.22	279.38	255.54	197.40	191.24
Current liabilities and provisions	522.08	415.55	601.07	410.23	827.64	1,347.46
Deferred tax liability	-	23.22	32.65	44.87	40.75	42.75
Total	948.38	1,160.28	1,326.41	1,296.14	1,967.14*	2,857.08
E Net Worth (A+B+C-D)	235.57	275.67	309.90	415.22	675.58	1,004.52
F Represented by						
Share Capital	165.12	170.12	170.22	195.22	433.33	550.33
Share application money	-	-	-	29.75	-	-
Reserves and Surplus	70.96	106.00	140.07	190.58	263.02	539.79
Less: Miscellaneous expenditure not written off	0.51	0.45	0.39	0.33	20.77	85.61
Net Worth	235.57	275.67	309.90	415.22	675.58	1,004.52

***Note:** The increase in sundry liabilities from the year 2005 to 2006 is due to the increase in material consumption, purchases and stocks level due to the growth in total income of the Company by 104% and accordingly the creditors for goods and consumables increased by Rs. 29.90 lakhs i.e., from Rs. 347.10 lakhs in fiscal 2005 to Rs. 646.17 lakhs in fiscal 2006 thus registering a growth of 86% which is in line with the increase in material consumed by around 103% and inventory levels by 43% as on March 31, 2006.

THE ISSUE

	No. of Equity Shares
Public Issue of Equity Shares	1,00,00,000 Equity Shares of Rs. 10 each
Promoter's Contribution	6,00,000 Equity Shares of Rs. 10 each
Issue through this Red Herring Prospectus	94,00,000 Equity Shares of Rs. 10 each
Of which:	
Qualified Institutional Buyers Portion*	Up to 47,00,000 Equity Shares of Rs. 10 each. However, 10% of the Issue Size i.e. 10,00,000 Equity Shares shall be mandatorily allotted to QIBs failing which the entire subscription money shall be refunded. (Allocation on a proportionate basis)
Non Institutional Portion	Not Less than 14,10,000 Equity Shares of Rs. 10 each (Allocation on a proportionate basis)
Retail Portion	Not Less than 32,90,000 Equity Shares of Rs. 10 each (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	55,03,333 Equity Shares of Rs. 10 each
Equity Shares outstanding after the Issue	1,55,03,333 Equity Shares of Rs. 10 each
Objects of the Issue	Please see the section entitled "Objects of the Issue" on page 23 of this Red Herring Prospectus.

5% of the QIB portion shall be available for allocation to mutual funds.

Note: Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any of the other categories including from over subscription at Company's sole discretion in consultation with the BRLM subject to minimum 10% of the Issue Size i.e. 10,00,000 Equity Shares shall be mandatorily allotted to QIBs failing which the entire subscription money shall be refunded.

Undersubscription in the reserved category may be added back to net issue to public

GENERAL INFORMATION**Oriental Trimex Limited**

(Originally incorporated as Oriental Trimex Private Limited on April 22, 1996 under the Companies Act, 1956 and converted to Public Limited Company on February 6, 2001)

Registered office of Company

708, 7th Floor, Padma Tower-1
5, Rajindra Place,
New Delhi – 110008

(The Registered office of the Company was changed from 26/25 Bazaar Marg, Old Rajinder Nagar, New Delhi -110060 to present w.e.f. April 1, 2006)

Corporate office of Company:

26/25, IInd Floor, Bazar Marg,
Old Rajinder Nagar,
New Delhi-110060

Registration number of Company

U74899DL1996PLC078339

Address of Registrar of Companies: Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi

Board of Directors

The Board of Directors comprise of the following members:

Sr. No.	Name	Designation	Date of Appointment	Status
1.	Mr. Rajesh Punia	Managing Director	April 22, 1996 (Initially appointed as Director on April 22, 1996 and further appointed as Managing Director w.e.f. January 1, 2006)	Executive and Non-Independent
2.	Ms. Savita Punia	Whole-Time Director	April 22, 1996 (Initially appointed as Director on April 22, 1996 and further appointed as Whole Time Director w.e.f. May 22, 2006)	Executive and Non-Independent
3.	Mr. Sunil Kumar	Director	June 21, 2000	Non Executive and Non-Independent
4.	Mr. Vivek Seth	Director	October 6, 2005	Non-Executive Independent Director
5.	Mr. M.C. Mehta	Director	May 17, 2006	Non-Executive Independent Director
6.	Mr. Dharam Vir Gupta	Director	September 4, 2006	Non-Executive Independent Director

For more details of Directors of the Company, please refer to section titled "Management" on page 86 of this Red Herring Prospectus

Compliance Officer and Company Secretary

Mr. Hari Singh Bisht
General Manager (Corporate Affairs) and Company Secretary
Oriental Trimex Limited
26/25, IInd Floor, Bazar Marg,
Old Rajinder Nagar,
New Delhi-110060
Ph: +91 11-25769567/68
Fax: +91 11-25816910,25752007
Email: ipo@orientaltrimex.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

Book Running Lead Manager (BRLM)

Allianz Securities Limited

2nd Floor, 3 Scindia House
Janpath, New Delhi-110001
Phone: +91 11 41514666-69
Fax: +91 11 41514665
Email: oriental.ipo@aslfinancial.com
Website: www.aslfinancial.com
Contact Person: Ms. Payal Puri

Lead Manager

Canara Bank

Merchant Banking Division
Circle Office, 16, Barakhamba Road, DCM Building
New Delhi – 110001
Phone: +91 11 23323891
Fax: +91 11 23314603
Email anilkbhasin@canbank.co.in
Website: www.canarabankindia.com
Contact person:Mr. Anil Kumar Bhasin

SYNDICATE MEMBERS

Allianz Securities Limited

33, Vaswani Mansion, 6th Floor, Dinsha Vachha Road,
Churchgate, Mumbai-400 020
Phone: +91 22 22870580
Fax: +91 22 22870581
Email: oriental.ipo@aslfinancial.com
Contact Person: Mr. S.N. Tare

Almondz Capital Markets Private Limited

33, Vaswani Mansion, 6th Floor,
Dinsha Vachha Road, Churchgate,
Mumbai-400 020
Phone: +91 22 22870580
Fax: +91 22 22870581
Email: oriental_ipo@almondz.com
Contact Person: Mr. Ashish Tapuriah

Registrars to the Issue

Beetal Financial & Computer Services (P) Limited.

Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre
New Delhi-110 062
Phone: +91 11 29961281 (6 lines)
Fax: +91 11 29961284
Email: beetal@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Mittal

Legal Advisor to the Issue

Fox Mandal & Co

FM House, A-9, Sector-9

Noida-201301

Phone: + 91 120 4305555

Fax: +91 120 2542222

Email: newdelhi@foxmandal.com

Website: www.foxmandal.com

Bankers to the Company

The Jammu & Kashmir Bank Limited

G 40 Connaught Place

New Delhi – 110 001

Phone: + 91 11 41516126

Fax: +91 11 23352105

Email: circus@jkbankmail.com

Website: www.jammuandkashmirbank.com

State Bank of Bikaner & Jaipur

G-72, Connaught circus

New Delhi-110001

Phone: + 91 11 233719043

Fax: +91 11 23719044

Email: sbbj1016ibd@yahoo.com

Website: www.sbbjbank.com

Escrow Bankers to the Issue

Hongkong and Shanghai Banking Corporation Limited

52/60, Mahatma Gandhi Road,

Mumbai-400001

Phone: +91 22 22685568

Fax: +91 22 22623890

Email: zersisirani@hsbc.co.in

Website: www.hsbc.co.in

Contact person: Mr.Zersis Irani

ICICI Bank Ltd

Capital Markets Division

30, Mumbai Samachar Marg,

Mumbai - 400 001

Phone: +91 22 22655207

Fax: +91 22 2261 1138

Email: sidharth.routray@icicibank.com

Website: www.icicibank.com

Contact Person: Mr. Sidhartha Sankar Routray

Kotak Mahindra Bank

7th Floor, Ambadeep Building,

14, Kasturba Gandhi Marg,

New Delhi-110001

Phone:+ 91 11 41790000

Fax: +91 11 23328014

Email: amitabha.dasgupta@kotak.com

Website: www.kotak.com

Contact person: Mr. Amitabha Dasgupta

ABN Amro Bank N.V.

Brady House, 14 Veer Nariman Road,
Hornimon Circle, Fort, Mumbai 400001
Phone: +91 22 6658 5858
Fax: +91 22 6658 5817
E-mail: neeraj.chhabra@in.abnamro.com
Website: www.abnamro.co.in
Contact person: Neeraj Chhabra

Canara Bank

Capital Market Services Branch
Jeevan Bharti Building, Sansad Marg,
New Delhi - 110001
Phone: +91 11 23356864, +91 11 23705607
Fax: +91 11 23719542
E Mail: del2471@canbank.co.in,
Website: www.canarabankindia.com
Contact person: Mr. C.R.Kansal

Statutory Auditors of the Company

Mehra Wadhwa & Co.
Chartered Accountants
26/25, Bazar Marg,
Old Rajinder Nagar
New Delhi-110060
Phone:+91-11-25813730
Fax:+91-11-25739582
Email: mwco1960@yahoo.co.in
Contact person: Mr. Rakesh Mehra

IPO Grading

The Company has not opted for the grading of this issue from any credit rating agency

Credit Rating

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

Trustees

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

Monitoring Agency

The Jammu & Kashmir Bank Limited
G 40 Connaught Place
New Delhi 110001
Phone: + 91 11 41516126
Fax: +91 11 23352105

Appraising Entity

The Jammu & Kashmir Bank Limited
G 40 Connaught Place,
New Delhi – 110 001
Phone: + 91 11 41516126
Fax: +91 11 23352105
Email: circus@jkbankmail.com

Scope and purpose of appraisal note

The Jammu & Kashmir Bank Limited has appraised the expansion project of the Company of Rs. 4720.25 lakhs and has also sanctioned a term loan of Rs.720 lakhs.

Book Building Process

Book building refers to the process of collection of Bids, on the basis of this Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date / Issue Closing Date.

The principal parties involved in the Book Building Process are:

- The Company;
- Book Running Lead Managers;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with NSE / BSE and eligible to act as Underwriters. Syndicate Members are appointed by the BRLMs;
- Escrow Collection Bank(s); and
- Registrar to the Issue.

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue shall be available for allocation to QIBs, but at least 10% of the Issue size shall be mandatorily allotted to QIBs on a proportionate basis failing which the full subscription monies shall be refunded. Out of QIB portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

The Company will comply with the SEBI Guidelines for this Issue. In this regard, the Company has appointed the BRLM to manage the Issue and to procure subscriptions to the Issue.

Pursuant to amendments to the SEBI Guidelines, QIB Bidders are not allowed to withdraw their Bid(s) after the Bid Closing Date / Issue Closing Date and are now required to pay 10% Margin Amount upon submission of their Bid. For details, please refer the section titled "Terms of the Issue" on page 35 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

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

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

Steps to be taken for bidding:

- Check eligibility for bidding, see the section titled "Issue Procedure-Who Can Bid?" on page 130 of this Red Herring Prospectus;
- Ensure that the Bidder has a demat account; and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

Underwriters to the Issue

After the determination of the Issue Price and allocation of Equity Shares of the Company but prior to filing of the Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lakhs)
Allianz Securities Limited 33, Vaswani Mansion, 6th Floor, Dinsha Vachha Road, Churchgate, Mumbai-400020 Phone +91 22 22870580 Fax: +91 22 22870581	[•]	[•]
Almondz Capital Markets Private Limited 33, Vaswani Mansion, 6th Floor, Dinsha Vachha Road, Churchgate, Mumbai-400020 Tel: +91 22 22870580 Fax: +91 22 22870581	[•]	[•]

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

In the opinion of Board of Directors of the Company (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 Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s). The above Underwriting Agreement has been accepted by the Board of Directors at the meeting held on [.] and the Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments.

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

CAPITAL STRUCTURE OF THE COMPANY*(Amount Rs. in lakhs)*

		Aggregate Nominal Value	Aggregate value at Issue Price
(A) Authorized Share Capital			
1,60,00,000	Equity Shares of Rs.10/- each	1600.00	
(B) Issued, Subscribed and Paid-up Equity Capital			
55,03,333	Equity Shares of Rs.10/- each	550.33	
(C) Present Issue in terms of this Red Herring Prospectus			
1,00,00,000	Equity Shares of Rs.10/- each	1000.00	[.]
(D) Out of which Promoters Contribution			
6,00,000	Equity Shares of Rs.10/- each will be contributed by Promoters	60.00	[.]
(E) Offer to the Public through this Red Herring Prospectus			
94,00,000	Equity Shares of Rs.10/- each	940.00	[.]
(G) Paid up capital after the Issue			
1,55,03,333	Equity Shares of Rs.10/- each	1550.33	
(H) Share Premium Account			
	Before the Issue	Nil	
	After the Issue	[.]	

Details of increase in Authorized Capital

Date	Authorized Capital (Rs.)	Face Value (Rs.)	No. of Shares	Remarks
April 22, 1996	2,00,000	100	2,000	Initial Authorised Capital
September 16, 1996	20,00,000	100	20,000	Increase
February 8, 1999	40,00,000	100	40,000	Increase
September 25, 1999	1,00,00,000	100	1,00,000	Increase
March 7, 2001	1,50,00,000	100	1,50,000	Increase
July 11, 2001	1,75,00,000	100	1,75,000	Increase
March 23, 2005	2,25,00,000	100	2,25,000	Increase
August 22, 2005	3,00,00,000	100	3,00,000	Increase
November 7, 2005	3,00,00,000	10	30,00,000	Face value of Equity Shares split from Rs. 100 to Rs. 10 per Equity Share
November 7, 2005	10,00,00,000	10	1,00,00,000	Increase
May 22, 2006	16,00,00,000	10	1,60,00,000	Increase

NOTES FORMING PART OF THE CAPITAL STRUCTURE:**1. Capital Build up:**

Date of allotment/ Date when fully paid up	No. of Equity Shares	Face Value (Rs.)	Issue Price Per share (Rs.)	Conside- ration	Reasons for allotment	Cumulative Paid-up Capital (Rs. in lakhs)	Cumulative Share Premium Account (Rs.)
April 22, 1996	20	100	100	Cash	Incorporation	0.02	Nil
March 31, 1997	5,000	100	100	Cash	Allotment to Promoters	5.02	Nil
December 29, 1997	8,500	100	100	Cash	Allotment to Promoters	13.52	Nil
March 31, 1998	6,480	100	100	Cash	Allotment to Promoters	20.00	Nil
August 9, 1999	10,020	100	100	Cash	Allotment to Promoters and others	30.02	Nil
October 4, 1999	20,300	100	100	Cash	Allotment to Promoters and others	50.32	Nil
March 31, 2000	12,700	100	100	Cash	Allotment to Promoters and others	63.02	Nil
July 10, 2000	8,700	100	100	Cash	Allotment to Promoters and others	71.72	Nil
October 25, 2000	3,400	100	100	Cash	Allotment to Promoters	75.12	Nil
February 2, 2001	10,000	100	100	Cash	Allotment to Private Corporate Bodies	85.12	Nil
June 30, 2001	14,000	100	100	Cash	Allotment to Promoters	99.12	Nil
September 29, 2001	21,000	100	100	Cash	Allotment to Promoters	120.12	Nil
January 10, 2002	25,000	100	100	Cash	Allotment to Promoters	145.12	Nil
January 17, 2002	5,000	100	100	Cash	Allotment to Promoters	150.12	Nil
March 18, 2002	5,000	100	100	Cash	Allotment to Promoter	155.12	Nil
March 30, 2002	10,000	100	100	Cash	Allotment to Promoters	165.12	Nil
May 3, 2002	5,000	100	100	Cash	Allotment to Promoter	170.12	Nil
November 12, 2003	100	100	100	Cash	Allotment to Promoter Group & Others	170.22	Nil
March 30, 2005	25,000	100	100	Cash	Allotment to the Promoter	195.22	Nil
August 17, 2005	29,750	100	100	Cash	Allotment to Promoters	224.97	Nil
September 15, 2005	35,030	100	100	Cash	Allotment to the Promoters	260.00	Nil
November 7, 2005	-	10	-	-	Split of 2,60,000 Equity Shares of Face Value Rs 100/- each into 26,00,000 Equity Shares of Face Value of Rs 10/- each	260.00	Nil
March 20, 2006	17,33,333	10	-	Bonus in the ratio of 2:3	Allotment to the Promoter, Promoter Group & Others	433.33	Nil
May 17, 2006	11,70,000	10	10	Cash	Allotment to the Promoters	550.33	Nil

Shares have not been issued for consideration other than cash except for issue of bonus shares as mentioned in the above table.

2. Details of shareholding of Promoter and Promoter Group: -

Sr. No	Name	Date of Allotment / Transfer	Date When Made Fully paid up	Consi-deration on (Cash, bonus, kind, etc.)	Type of Transaction	No. of Shares*	Face Value*	Issue/ Transfer Price*	% of Post-Issue Paid-up Capital	Lock-in
1.	Mr. Rajesh Punia	April 22, 1996	April 22, 1996	Cash	Subscri-ption	100	10	10		3 Year
		March 31, 1997	March 31, 1997	Cash	Allotment	38,800	10	10		3 Year
		December 29, 1997	December 29, 1997	Cash	Allotment	80,000	10	10		3 Year
		March 31, 1998	March 31, 1998	Cash	Allotment	60,000	10	10		1 Year
		August 9, 1999	9, 1999 August	Cash	Allotment	60,000	10	10		1 Year
		March 31, 2000	March 31, 2000	Cash	Allotment	20,000	10	10		3 Year
		July 10, 2000	July 10, 2000	Cash	Allotment	10,000	10	10		3 Year
		October 25, 2000	October 25, 2000	Cash	Allotment	34,000	10	10		3 Year
		March 5, 2001	-	Cash	Transfer	1,02,000	10	10		3 Year
		June 30, 2001	June 30, 2001	Cash	Allotment	50,000	10	10		3 Year
		September 29, 2001	September 29, 2001	Cash	Allotment	2,05,000	10	10		3 Year
		January 10, 2002	January 10, 2002	Cash	Allotment	2,50,000	10	10		3 year
		March 20, 2003		Cash	Transfer	(1,20,000)	10	10		-
		March 30, 2005	March 30, 2005	Cash	Allotment	80,000	10	10		3 year
		September 15, 2005	September 15, 2005	Cash	Allotment	50,000	10	10		1 year
		March 20, 2006	March 20, 2006	Bonus	Allotment	5,79,933	10	10		3 year
						33,334	10	10		1 year
May 17, 2006	May 17, 2006	Cash	Allotment	320000	10	10		1 year		
	Total					1853167			11.95	

2	Ms. Savita Punia	April 22, 1996	April 22, 1996	Cash	Subscription	100	10	10		3 Year
		March 31, 1997	March 31, 1997	Cash	Allotment	11,200	10	10		3 Year
		December 29, 1997	December 29, 1997	Cash	Allotment	5,000	10	10		3 Year
		March 31, 1998	March 31, 1998	Cash	Allotment	4,800	10	10		3 Year
		August 9, 1999	August 9, 1999	Cash	Allotment	40,000	10	10		3 Year
		March 31, 2000	March 31, 2000	Cash	Allotment	10,000	10	10		3 Year
		February 1, 2001	-	Cash	Transfer	2,03,000	10	10		3 Year
		June 30, 2001	June 30, 2001	Cash	Allotment	90,000	10	10		3 Year
		September 29, 2001	September 29, 2001	Cash	Allotment	5,000	10	10		3 Year
		March 30, 2005	March 30, 2005	Cash	Allotment	20,000	10	10		3 Year
		September 15, 2005	September 15, 2005	Cash	Allotment	20,300	10	10		1 Year
		October 6, 2005	-	Cash	Transfer	24,000	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	259400	10	10		3 Year
						29533	10	10		1 Year
May 17, 2006	May 17, 2006	Cash	Allotment	251000	10	10		1 Year		
Total				973333			6.28			
3	Oriental (Buildmat) Exports Pvt Ltd	March 18, 2002	March 18, 2002	Cash	Allotment	50,000	10	10		1 Year
		March 30, 2002	March 30, 2002	Cash	Allotment	1,00,000	10	10		3 Year
		May 3, 2002	May 3, 2002	Cash	Allotment	50,000	10	10		3 Year
		March 30, 2005	March 30, 2005	Cash	Allotment	1,50,000	10	10		3 Year
		August 17, 2005	August 17, 2005	Cash	Allotment	2,97,500	10	10		1 Year
		September 15, 2005	September 15, 2005	Cash	Allotment	2,80,000	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	2,33,333	10	10		3 Year
						385000	10	10		1 Year
		May 17, 2006	May 17, 2006	Cash	Allotment	517000	10	10		1 Year
Total				2062833			13.31			

4	Oriental Tiles Limited	January 17, 2002	January 17, 2002	Cash	Allotment	50,000	10	10		1 Year
		March 20, 2003	-	Cash	Transfer	5990	10	10		1 Year
						1,14,010	10	10		3 Year
		August 18, 2003	-	Cash	Transfer	1,00,000	10	10		3 Year
		November 12, 2003	-	Cash	Transfer	45,000	10	10		3 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	210000	10	10		3 Year
May 17, 2006	May 17, 2006	Cash	Allotment	82000	10	10		1 Year		
	Total					607000			3.92	
5.	Mr. Sunil Kumar	March 31, 2000	March 31, 2000	Cash	Allotment	3,000	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	2000	10	10		1 Year
	Total					5000			0.03	
6.	Mrs. Sumesh Choudhary	November 12, 2003	November 12, 2003	Cash	Allotment	500	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	333	10	10		1 Year
	Total					833			0.00	
7.	Mr. Mahesh Punia	March 15, 2004		Cash	Transfer	100	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	67	10	10		1 Year
	Total					167			0.00	
8.	Mr. Dinesh Punia	March 15, 2004		Cash	Transfer	100	10	10		1 Year
		March 20, 2006	March 20, 2006	Bonus	Allotment	67	10	10		1 Year
	Total					167			0.00	
	Grand Total					55,02,500			35.49%	

* Initially, at the time of allotment, face value of Equity Shares of the Company was Rs. 100/- each. At the Extra Ordinary General Meeting of the Company held on November 7, 2005 the Company split the Equity Share Capital from face value of Rs. 100/- to Rs. 10/- per Equity Share. All the allotments made after November 7, 2005 are at a face value of Rs. 10/- each.

3. Lock-in Details

The details of lock-in of shares for 3 years are as follows:-

S. No	Name of the Promoter	Number of Shares	Face Value (Rs)	% of Post Issue Paidup Equity Capital
1	Mr. Rajesh Punia	14,49,833	10	9.35
2.	Ms. Savita Punia	6,48,500	10	4.18
3.	Oriental (Buildmat) Exports Pvt Ltd	5,33,333	10	3.44
4	Oriental Tiles Limited	4,69,010	10	3.03
	Total	31,00,676		20.00

- (a) The Equity Shares to be locked-in for a period of three years have been computed as 20% of Equity Share Capital after the Issue.
- (b) In addition to the above, the entire remaining Pre-issue Equity Share Capital of the Company i.e. 24,02,657 Equity Shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.
- (c) The Promoters have vide their letter dated June 23, 2006 given their consent for lock in of shares as stated above. Equity Shares issued last shall be locked in first. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later.
- (d) Promoters are participating in this issue to the extent of 6,00,000 Equity Shares. In terms of Clause 4.9.1 of the SEBI (DIP) Guidelines, the Promoter's would bring in the full amount of the Promoter's contribution computed as 6,00,000 Equity Shares multiplied by the Cap Price at least one day prior to the Bid/Issue Opening Date. which shall be kept in an escrow account with a Scheduled Commercial Bank and the said contribution / amount shall be released to the Company along with the public issue proceeds.

In case of upward revision of Price Band, the difference will be brought in by the Promoters immediately on the day of revision. The above 6,00,000 Equity Shares would also be locked in for a period of one year in terms of Clause 4.12.1 of SEBI (DIP) Guidelines, being promoter's contribution in excess of required minimum contribution. The promoters and the promoter group have vide their letter dated June 2, 2006 given their consent for lock-in of these 6,00,000 Equity Shares.

- (e) In terms of clause 4.15 of the SEBI (DIP) Guidelines, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan
 - (f) In terms of clause 4.16.1 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and amongst the Promoters / Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable. Further, in terms of clause 4.16.1 (a) of the SEBI (DIP) Guidelines, locked in Equity Shares held by shareholders other than the Promoters may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.
 - (g) The promoters' contribution shall be brought in to the extent of not less than the specified minimum amount and from persons defined as promoters and promoters group.
4. There is no "buyback" or "standby" arrangement for purchase of Equity Shares by the Company, its Directors, its Promoters, or the BRLM for the Equity Shares offered through this Red Herring Prospectus.
 5. Any over subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.
 6. There are no partly paid up shares of the Company.
 7. The Equity Shares offered through this public issue shall be made fully paid up and the unpaid equity shares may be forfeited within 12 months from the date of allotment of shares in the manner specified as per clause 8.6.2 of the SEBI (Disclosure and Investor Protection) Guidelines.
 8. In case of over-subscription in all categories, up to 50% of the shares offered shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 15% of net issue size for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the net issue size shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any of the other categories including from over-subscription at the Company's sole discretion in consultation with the BRLMs subject to minimum 10% of the Issue Size i.e. 10,00,000 Equity Shares shall be mandatorily allotted to QIBs failing which the entire subscription money shall be refunded.

9. a) Details of top ten shareholders of the Company on the date of the Red Herring Prospectus

Sr. No.	Name of Shareholder	Total number of Shares	% of Shareholding
1.	Oriental (Buildmat) Exports Private Limited	20,62,833	37.48
2.	Mr. Rajesh Punia	18,53,167	33.67
3.	Ms. Savita Punia	9,73,333	17.69
4.	Oriental Tiles Limited	6,07,000	11.03
5.	Mr. Sunil Kumar	5000	0.09
6.	Mrs. Taruna Dangi	833	0.02
7.	Mrs Sumesh Choudhary	833	0.02
8.	Mr.Mahesh Punia	167	Negligible
9.	Mr. Dinesh Punia	167	Negligible
	Total	55,03,333	100.00

b) Details of top ten shareholders ten days before the date of the Red Herring Prospectus

Sr. No.	Name of Shareholder	Total number of Shares	% of Shareholding
1.	Oriental (Buildmat) Exports Private Limited	20,62,833	37.483
2.	Mr. Rajesh Punia	18,53,167	33.674
3.	Ms. Savita Punia	9,73,333	17.686
4.	Oriental Tiles Limited	6,07,000	11.030
5.	Mr. Sunil Kumar	5000	0.091
6.	Mrs. Taruna Dangi	833	0.0151
7.	Mrs Sumesh Choudhary	833	0.0151
8.	Mr.Mahesh Punia	167	Negligible
9.	Mr. Dinesh Punia	167	Negligible
	Total	55,03,333	100.00

c) Details of top ten shareholders two years prior to date of the Red Herring Prospectus

Sr. No.	Name of Shareholder	Total number of Shares	% of Shareholding
1.	Mr. Rajesh Punia	78,990	35.38
2.	Ms. Savita Punia	36,910	15.75
3.	Oriental Tiles Limited	31,500	12.12
4.	Oriental (Buildmat) Exports Private Limited	20,000	35.67
5.	Mr. Manoj Sharda	1480	0.57
6.	Pradeep Choudhary and Sons (HUF)	900	0.35
7.	Mr.Sunil Kumar	300	0.12
8.	Mrs Taruna Dangi	50	0.02
9.	Mrs Sumesh Choudhary	50	0.02
10.	Mrs Pushpa Agarwal	20	Negligible
	Total	1,70,200	100.00

Pre-Issue and Post-Issue Shareholding of Promoter and Promoter Group

Particulars	Pre-Issue		Post -Issue	
	No. of Equity Shares	% to the present share capital	No. of Equity Shares	% to the post share capital
Promoter / Core Promoter	5496333	99.87	6096333	39.32%
Promoter Group	6167	0.11	6167	0.04%
Total Promoter and Promoter Group	55,02,500	99.98	61,02,500	39.37%
Others	833	0.02	833	0.00%
Net Public	Nil	Nil	94,00,000	60.63%
Total	55,03,333	100.00	1,55,03,333	100.00%

Details of Pre-Issue shareholding of the Promoter / Promoter Group as on date are as follows:-

Name of Promoter	Total No of shares held
A. Core Promoter	
Mr. Rajesh Punia	18,53,167
Mrs. Savita Punia	9,73,333
Oriental Tiles Limited	6,07,000
Oriental (Buildmat) Exports Private Limited	20,62,833
Sub-Total (A)	54,96,333
B. Promoter Group	
Sunil Kumar	5000
Sumesh Choudhary	833
Mahesh Punia	167
Dinesh Punia	167
Sub-Total (B)	6,167
TOTAL (A+B)	55,02,500

10. As on the date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debenture, loans or other financial instruments into Equity Shares of the Company. The Shares locked in by Promoters are not pledged to any one.
11. The Promoters' Group/Directors have not purchased / sold / financed / acquired any shares of the Company during the past 6 months except for bonus shares and 11,70,000 fresh equity shares of Rs. 10/- each issued to promoter group as explained on note no. 1 above.
12. During the preceding twelve months, the Company has issued 11,70,000 Equity Shares at Rs. 10/- per Equity Shares to Promoter and Promoter Group, which may be at a price lower than the lower end of the Price Band for the Equity Shares being offered in this Public Issue. The details of which are as follows:

Sr. No	Name	Date of Allotment / Transfer	Consideration (Cash, bonus, kind, etc.)	Type of Transaction	No. of Shares*	Face Value*	Issue/ Transfer Price*
1.	Rajesh Punia	May 17, 2006	Cash	Allotment	320000	10	10
2.	Savita Punia	May 17, 2006	Cash	Allotment	251000	10	10
3.	Oriental Buildmat (Exports) Pvt. Ltd.	May 17, 2006	Cash	Allotment	517000	10	10
4.	Oriental Tiles Limited	May 17, 2006	Cash	Allotment	82000	10	10

13. The Company has not raised any bridge loan against the proceeds of the present issue.
14. There would be no further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or otherwise during the period commencing from submission of this Red Herring Prospectus with SEBI till the Equity Shares offered through this Red Herring Prospectus have been listed.
15. At present, the Company does not have any intention or proposal to alter its 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 Equity Shares) whether preferential or otherwise except that the Company may issue options to its employees pursuant to any employee Stock Option plan, or if the Company go for acquisitions and joint ventures, the Company may consider raising additional capital to fund such activity or use shares as currency for acquisition and / or participation in such joint venture.
16. The Company has not issued any equity shares out of revaluation reserves.
17. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
18. A Bidder cannot make a bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
19. The Company has nine members as on the date of filing of this Red Herring Prospectus with SEBI.

20. Restrictive Covenants of Lender

There are restrictive covenants in the sanction letters of lender viz. The Jammu & Kashmir Bank Limited for short term and long term borrowings. The clauses require the Company to give certain undertakings, and satisfy the said bank for obtaining / maintaining all the required statutory / non-statutory clearances for the project, appointment of technical,

financial and executive personnel of proper qualification and experience for smooth implementation and operation of the project, meeting any shortfall from internal accruals in raising funds through public issue and not to repay unsecured loan of directors during the currency of loan. Also, there are restrictive covenant regarding declaration and payment of dividend in case of failure to pay interest and / or installment amount. The Jammu & Kashmir Bank Limited has given their approval/ no objection for the proposed issue of the Company vide their letter No. JKB/CP/06-383 dated May 18, 2006.

Further, State Bank of Bikaner and Jaipur has vide letter dated September 16, 2006, sanctioned term loan and working capital facilities to the Company which the Company has not yet availed. The restrictive covenants in the sanction letter of State Bank of Bikaner & Jaipur for the said facilities relates to taking consent from the Bank before undertaking certain activities by the Company like change in the capital structure of the company; formulating any scheme of amalgamation or reconstruction; undertaking new project, implement any scheme of expansion or acquire fixed assets except those indicated in the fund flow statement submitted to the bank and approved by the bank; investing by way of share capital in or lend or advance funds to or place deposits with any other concern; entering into borrowing arrangements either secured or unsecured with any other bank/financial institution, firm or otherwise; paying guarantee commission to the guarantors whose guarantee has been stipulated/furnished for the credit limits sanctioned by the bank; creating any charge, lien or encumbrance over its undertakings or any part thereof in favour of any financial institution/bank, company, firm or person; selling, assigning, mortgaging, or otherwise disposing off any fixed assets charged to the bank; entering into contractual obligation of long term nature or affecting the company; permitting any transfer of the controlling interest or make any drastic change in the management set-up.

The State Bank of Bikaner & Jaipur has given their no objection for the proposed public issue of the Company vide their letter dated January 10, 2007.

OBJECTS OF THE ISSUE

Rationale for the Issue

Oriental Trimex Limited is presently engaged in the business of cutting, polishing and processing of imported marble as well as indigenous marble and trading of granite. The Company's existing marble processing plant is situated at Greater Noida, Uttar Pradesh with an installed and licensed capacity of 12,600 MTPA. The Company markets its products in Northern, Southern and Eastern region through marketing outlets at Delhi, Kolkatta and Chennai as well as through wholesalers. Presently, raw materials are first processed at Greater Noida plant and then dispatched to different regions for meeting their requirements, which involves large expenditure on transportation and material handling. To save this transportation and material handling cost and to cater to the increasing demand of Southern and Eastern region, the Company now plans to setup processing units at Bangalore and Kolkatta with a capacity of 12,600 MTPA respectively and double its existing capacity at Greater Noida from 12,600 MTPA to 25,200 MTPA.

In addition, the Company has acquired mining rights for two quarries of decorative stones/ granite in the State of Orissa. The Company now proposes to acquire additional mining equipments and set up a granite processing unit at Balasore, Orissa with installed capacity of 10,000 MTPA.

The Company's expansion project has been appraised by its Banker i.e., The Jammu and Kashmir Bank Limited, New Delhi vide their letter dated May 29, 2006 (No. JKB/Adv./CP/06/315) and the total project cost is estimated at Rs.4720.25 lakhs. The initial public offering is being made to part finance the said project cost.

The main objects of the issue are: -

- Expansion of existing capacity of marble processing unit at Greater Noida, Uttar Pradesh
- Setting up of a new marble processing unit at Kolkatta
- Setting up of a new marble processing unit at Bangalore
- Acquiring additional mining equipments for granite quarries in Orissa
- Setting up of a new granite/decorative stones processing unit at Balasore (Orissa)
- Setting up of retail marketing outlet at Delhi and installation of equipments at Chennai outlet
- Meeting long term working capital requirements
- General Corporate Purpose
- Meeting Public Issue expenses

The main object clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association enable the Company to undertake the existing activity and the activities for which the funds are being raised by the Company through this proposed Issue.

Total Cost of Project

The total cost of project as appraised by The Jammu & Kashmir Bank Limited vide Appraisal Note. JKB/Adv./CP/06/315 of Jammu and Kashmir Bank dated May 29, 2006 and then re-assessed as per Company's estimates is as under:

(Rs. in lakhs)

S. No.	Particulars	As per Company's Estimates (Amount)	As per appraisal note (Amount)
1	Expansion of capacity of marble processing at its Greater Noida processing unit.	309.28	300.03
2	Setting up of a new marble processing unit at Kolkatta	436.23*	448.28
3	Setting up of a new marble-processing unit at Bangalore.	699.73	699.73
4	Setting up of a new granite/decorative stones processing unit at Balasore (Orissa).	995.74	965.66
5	Acquiring additional mining equipments for granite quarries in Orissa	283.15	283.15
6	Setting up of retail marketing outlet at Delhi and installation of equipments at Chennai outlet	583.45	583.45
7	Long term working capital requirement	1020.00	1020.00
8	Public Issue expenses	[•]	250.00
9	Pre-operative and Preliminary Expenses	79.70	79.70
10	Contingency provision	[•]	90.25
11.	General Corporate Purposes	[•]	-
	Total cost of the project	[•]	4720.25

* The total cost of project as appraised by Jammu & Kashmir Bank Limited is Rs. 4720.25 lakhs, which included cost of land for setting up granite processing unit at Balasore, Orissa for Rs. 18.29 lakhs, which was acquired by the Company in the year 2003, and part of land for Kolkatta unit for Rs. 12.55 lakhs, which was acquired in the year 2004. Therefore, the total cost of said land acquired in 2003 and 2004 amounting to Rs. 30.84 lakhs has now been reduced from the project cost. Further, the Company is expecting additional expenditure on public issue expenses over and above provided for in the total cost of project and has also now kept provisions for general corporate purposes which includes offsetting of working capital borrowings; exchange rate fluctuations; meeting any contingencies on account of increase in cost of plant & machinery over and above provided for in the total cost of project.

Net Tangible Assets to the extent of 82.69% will be created out of the issue proceeds considering lower price band and 68.91% considering higher price band.

A detailed breakup of the costs involved is provided in the following paragraph:

1. Expansion of capacity of marble processing unit at Greater Noida, Uttar Pradesh

The Company's existing unit at Greater Noida has an installed capacity of 12,600 metric tons per annum (MTPA) for marble processing. The said unit operated at capacity of 13,295 MTPA for marble processing i.e. 105.52% of installed capacity during Financial Year 2005-06. The Company now plans to double the annual installed capacity of the said unit to 25,200 MTPA in view of increased demand in the National Capital Region.

The details of the expansion cost for the unit is as follows:

(Rs in Lakhs)

Particulars	As per Company's Estimates (Amount)		As per Appraisal Note (Amount)	
Construction of additional shed/civil works	53.63		53.63	
Plant and Machinery				
- Indigenous	78.35		78.35	
- Imported	128.75		119.50	
- Foundations, Designing and Installation	40.00	247.10	40.00	237.85
Electrical Installations	6.55		6.55	
Office Equipments	2.00		2.00	
Total	309.28		300.03	

a) Construction of additional shed / civil works

The Company proposes to expand the existing factory building by constructing additional shed (admeasuring 16500 sq.ft.) to accommodate for the additional machines, which are required for doubling the capacity. The Company has adequate land for the proposed expansion at Greater Noida, Uttar Pradesh. The extension of factory shed would cost Rs. 53.63 lakhs (16,500 sq ft @Rs 325 per sq ft) as estimated by Nirmal Contractors Private Limited, Delhi vide their letter dated December 26, 2006.

b) Plant and Machinery

At present, fibre fixing and filling operations are done manually on marble slabs, which is labour intensive and time consuming. The Company now proposes to install an Epoxy Resin Line with 15-slabs per hour capacity, which will improve the product quality, productivity and reduce the involvement of labour. Further, an additional new gang saw machine of 100 blades and a mono block dressing machine are required to be purchased. The total estimated cost of the required machinery is Rs. 247.10 lakhs, as detailed below:-

	Imported/ Indigenous	Suppliers	Date of Quotation	No of units	Cost per unit (Euros)	Basic Cost per unit (Rs. lakhs)	Freight & Insurance & other costs*	Total (Rs. in lakhs)
Gang saw Machine 100 Blades	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	N.A	61.09	1.22	62.31
Mono Blade- Block Dressing Machine	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	N.A	15.73	0.31	16.04
Epoxy Resin Line	Imported	Protec (Italy)	December 20, 2006	1	2.03	118.65	10.10*	128.75#
Machine Foundations					Estimated Amount			20.00
Designing and Installation					Estimated Amount			20.00
TOTAL								247.10

*Company's Estimate

** inclusive of import duty

Conversion Rate: 1 EURO = Rs 58.45

c) Electrical Installations

The electrical installations include transformers, electric panels, cables, lighting, etc. which are estimated at a cost of Rs 6.55 lakhs.

d) Office Equipments

The Company proposes to procure office equipments at an estimated amount of Rs 2.00 lakhs.

2. Setting up of a new Marble-processing unit at Kolkata

The Company at present is marketing and selling its products in eastern region through its marketing outlet in Kolkata. In the present scenario, the raw materials are first processed in Greater Noida unit and then dispatched to Kolkata for meeting the requirements of eastern region, which involves transportation and material handling cost. The Company has now therefore, decided to set up a new processing unit at Kolkata with an installed capacity of 12,600 MTPA of marble processing to cater to the demand of eastern region.

The details of cost for setting up Kolkatta unit are as follows:

(Rs in Lakhs)

Particulars	As per Company's Estimates (Amount)		As per Appraisal Note (Amount)	
Land	88.50		100.55	
Factory Building	120.29		120.29	
Plant and Machinery – Indigenous	174.55		174.55	
Plant and Machinery – Foundations, Designing and Installation	32.50	207.05	32.50	207.05
Electrical Installations	16.39		16.39	
Furniture and Fixture	2.00		2.00	
Office Equipment	2.00		2.00	
Total	436.23		448.28	

a) Land:

The Company has acquired 7200 sq.ft. (10 Cottahs) of land located at 391, Laskarhat, South Khalpara, Til Jala, Opposite Ruby Hospital, E.M. Bypass, Kolkata at a cost of Rs. 12.05 lakhs from Mr. Uddhab Chander Sarkar vide sale deed dated September 13, 2004. The cost of the afore-said land has been included in the appraisal note of Jammu and Kashmir Bank but this cost has not been included by the Company in its total cost estimates for the purpose of this Issue, as the Company had already spent the amount in the year 2004. The Company has also acquired 4500 sq. ft. (6 cottahs 4 Chittaks) of adjacent land at R.S. Dag No. 393 under R.S. Khatian No. 204 in Mouja Laskarhat at a cost of Rs. 15.62 Lacs vide deed of conveyance dated June 23, 2006. The land has been registered in the name of the Company. The Company further plans to acquire 31500 sq. ft. at an estimated cost of Rs. 72.88 lakhs for establishing the said processing unit for which the management has already initiated negotiations with owners of adjacent lands. The total cost of land, therefore is estimated to be Rs. 88.50 lakhs.

b) Factory Building:

The Company proposes to construct the factory shed over an area admeasuring 2500 sq. ft. The Company has already initiated the construction activities over part of land already acquired.. The details of the construction as per estimates given by Nirmal Contractors Private Limited, Delhi vide their letter dated December 26, 2006 is given as follows:

Particulars	Area and unit cost	Total cost (Rs. in lakhs)
Site development cost		8.00
Construction of factory shed	25000 sq.ft. @ Rs. 325 per sq. ft.	81.25
Office building	1140 sq.ft. @ Rs. 600 per sq.ft.	6.84
Stores and electrical rooms	800 sq.ft. @ Rs. 400 per sq.ft.	3.20
Utilities	1500 sq.ft. @ Rs. 400 per sq.ft.	6.00
Cost of boundary wall and gates	Lump-sum	8.00
Cost of bore well, water tank, drainage, etc.	Lump-sum	7.00
Total		120.29

c) Plant and Machinery:

The details of the plant and machinery to be installed at the proposed site is as follows:

(Amount in Lakhs)

Particulars	Imported/ Indigenous	Suppliers	Date of Quotation	No of units	Basic Cost per unit (Rs.)	Freight & Insurance*	Total Cost (Rs.)
Gang saw Machine 100 Blades	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	61.09	1.22	62.31
Mono Blade- Block Dressing Machine	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	15.73	0.31	16.04
Gantry Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	33.87	0.68	34.55
Water Sedimentation Plant	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	21.77	0.44	22.21
Radial Polishing Machine	Indigenous	Surie Porex, 4, LSC, Naraina Ring Road, New Delhi	December 19, 2006	6	1.40	0.03	8.59
D.G. Set-380 K.V.A.	Indigenous	Jaksons Limited, Rajendra Place, New Delhi	December 18, 2006	1	18.15	0.36	18.51
EOT Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 26, 2006	1	12.10	0.24	12.34
Foundations	Estimated Amount						17.50
Designing and Installation	Estimated Amount						15.00
Total							207.05

* Company's estimate

The Company has already placed order for six Radial Polishing Machines with Surie Porex, New Delhi at the rate of Rs. 1.40 Lakhs each. The Company has paid Rs. 3.00 Lakhs to Surie Porex, New Delhi towards the advance for the said machines

d) Electric Installation: The total requirement of power for manufacturing process is 300 KVA which is proposed to be met by installation of D.G. set with capacity of 380 KVA. The other required electrical installation includes transformer, electric control panel, factory lighting, etc., which is estimated at Rs. 16.39 lakhs.

e) Furniture and Fixtures and Office equipments

The Company proposes to procure furniture and fixtures and office equipments at an estimated amount of Rs 2.00 lakhs each.

3. Setting up of a new marble-processing unit at Bangalore

The Company also plans to set up a new marble processing unit with an installed capacity of 12,600 MTPA at Bangalore to reduce its transportation and material handling cost and for meeting the requirements of southern region.

The details of the cost for setting up the units are as follows:

(Rs. in lakhs)

Particulars	As per Appraisal Note	
Land		352.00
Factory Building/civil works		120.29
Plant and Machinery		
- Indigenous	174.55	
- Imported	-	
- Foundations	17.50	
- Designing and Installation	15.00	207.05
Electrical Installations		16.39
Furniture and Fixtures		2.00
Office Equipments		2.00
Total		699.73

(Source: Appraisal Note)

a) Land:

The Company proposes to acquire suitable industrial land measuring about 6400 yards (57,600 sq. ft). at an estimated cost of Rs. 352.00 lakhs. The Company has not identified land as on date.

b) Factory Building /civil works

The details of cost of construction of factory building as per estimates given by Nirmal Contractors Private Limited, Delhi vide their letter dated December 26, 2006 is given as follows:

Particulars	Area and unit cost	Total cost (Rs. in lakhs)
Site Development		8.00
Factory Shed Construction	25000 sq.ft. @ Rs. 325 per sq.ft.	81.25
Office Building	1140 sq.ft. @ Rs. 600 per sq.ft.	6.84
Stores and Electrical Rooms	800 sq.ft. @ Rs. 400 per sq.ft.	3.20
Utilities	1500 sq.ft. @ Rs. 400 per sq.ft.	6.00
Cost of Construction of Boundry Wall and Gates	Lump-sum	8.00
Cost of Bore well, Water Tank, Drainage, etc.	Lump-sum	7.00
Total		120.29

c) Plant and Machinery:

The details of the plant and machinery to be installed at the proposed site is as follows:

(Amount in Lakhs)

Particulars	Imported/Indigenous	Suppliers	Date of Quotation	No of units	Basic Cost per unit (Rs.)	Freight & Insurance*	Total Cost (Rs.)
Gangsaw Machine 100 Blades	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	61.09	1.22	62.31
Mono Blade- Block Dressing Machine	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	15.73	0.31	16.04
Gantry Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	33.87	0.68	34.55
Water Sedimentation Plant	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	21.77	0.44	22.21
Radial Polishing Machine	Indigenous	Surie Porex, 4, LSC, Naraina Ring Road, New Delhi	December 19, 2006	6	1.40	0.03	8.59
D.G. Set-380 K.V.A.	Indigenous	Jaksons Limited, Rajendra Place, New Delhi	December 18, 2006	1	18.15	0.36	18.51
EOT Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 26, 2006	1	12.10	0.24	12.34
Foundations	Estimated Amount						17.50
Designing and Installation	Estimated Amount						15.00
Total							207.05

* Company's estimate

d) Electric Installation: The total requirement of power for manufacturing process is 300 KVA which is proposed to be met by installation of D.G. set with capacity of 380 KVA. The other required electrical installation includes transformer, electric control panel, factory lighting, etc., which is estimated at Rs. 16.39 lakhs.

e) Furniture and Fixtures and Office equipments

The Company proposes to procure furniture and fixtures and office equipments at an estimated amount of Rs 2.00 lakhs each.

4. Setting up of a New Granite/Decorative Stones Processing Unit at Balasore (Orissa)

The Company proposes to set-up granite cutting and polishing plant at Balasore, Orissa at an installed capacity of 10,000 MTPA. This plant would process the granite blocks sourced from the Company's owned quarries. The Company plans to export approximately 50% of the finished cut and polished material from Balasore unit and the balance quantity will be sold through its retail marketing outlets at Kolkata, Chennai and Delhi.

The details of the cost for setting up the units are as follows:

(Rs. in Lakhs)

Particulars	As per Company's Estimates (Amount)		As per Appraisal Note (Amount)	
Land		NIL		18.29
Factory Building/Civil Works		107.04		107.04
Plant and Machinery				
- Indigenous	88.16		88.16	
- Imported	699.15		650.79	
- Foundations	52.00		52.00	
- Designing and Installation	25.00		25.00	
		864.31		815.95
Electrical Installations		16.39		16.39
Furniture and Fixtures		5.00		5.00
Office Equipments		3.00		3.00
Total		995.74		965.67

a) Land: The Company has already acquired the requisite land admeasuring about 7 acres located at IDCO Industrial Estate, Post Office Somnathpur, Balasore, Orissa at a cost of Rs. 18.29 lakhs from Orissa Industrial Infrastructure Development Corporation (OIIDC) vide sale deed dated December 31, 2003. The Company has acquired said plot of land through bidding process of Debt Recovery Tribunal, Kolkata. The cost of the afore-said land has been included in the appraisal note of Jammu and Kashmir Bank but this cost has not been included by the Company in its total cost estimate.

b) Factory Building/Civil Works:

The details of the construction as per estimates given by Nirmal Contractors Private Limited, Delhi vide their letter dated December 26, 2006 is given as follows:

Particulars	Area and unit cost	Total cost (Amount Rs. in lakhs)
Site Development		8.00
Factory Shed construction	20000 sq.ft. @ Rs. 325 per sq.ft.	65.00
Office Building	1140 sq.ft. @ Rs. 600 per sq.ft.	6.84
Stores and Electrical Rooms	800 sq.ft. @ Rs. 400 per sq.ft.	3.20
Utilities	1500 sq.ft. @ Rs. 400 per sq.ft.	6.00
Boundary Wall and Gates	Lump-sum	8.00
Bore well, Water Tank, Drainage, etc	Lump-sum	10.00
Total		107.04

c) Plant and Machinery:

(Amount Rs. in Lakhs)

Particulars	Imported/ Indigenous	Supplier	Date of Quotation	No of units	Cost per unit (Euro)	Cost per unit	Freight & Insurance & other costs*	Total Cost
Granite Gangsaw (New)	Imported	Gaspari Menotti SPA, Italy	December 18, 2006	1 set	7.03	410.90#	35.09	445.99
Trolleys and Accessories for Gangsaw	Imported	Gaspari Menotti SPA, Italy	December 18, 2006	1	0.22	12.86#	1.12	13.98
Granite Gangsaw- (Big) Re-furbished**	Imported	Gaspari Menotti SPA	December 18, 2006	1	0.98	57.28#	4.89	62.17
Spare Parts of Re- furbished Gangsaw	Imported	Gaspari Menotti SPA	December 18, 2006	1	0.12	7.01#	0.60	7.61
Polishing Machine	Imported	Gaspari Menotti SPA	December 18, 2006	1	0.65	37.99#	3.24	41.23
Resin Line	Imported	Protec, Italy	December 20, 2006	1	2.02	118.07	10.10	128.17
Mono Blade- Block Dressing Machine	Indigenous	M/s Friends Engineering Works, Udaipur	December 16, 2006	1	N.A	15.73	0.31	16.04
Gantry Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	1	N.A	33.87	0.68	34.55
D.G. Set-380 K.V.A.	Indigenous	Jackson Limited, Noida	December 18, 2006	1	N.A	18.15	0.36	18.51
Wire Saw Dressing Machine	Indigenous	M/s Friends Engineering Works, Udaipur	December 16, 2006	1	N.A	6.59	0.13	6.72
EOT Crane	Indigenous	M/s Friend Engineering Works, Udaipur	December 26, 2006	1	N.A	12.10	0.24	12.34
Foundations	Estimated Amount							52.00
Designing and Installation	Estimated Amount							25.00
Total								864.31

* Company's estimate inclusive of import duty.

** This is second hand machine and as per Company's estimate, the minimum life of this machine is 30 years and a residual life of 16 years.

Conversion rate: 1 Euro = 58.45 Rs.

d) Electric Installation: The total requirement of power for manufacturing process is 350 KVA which is proposed to be met by installation of D.G. set with capacity of 380 KVA. The other required electrical installation includes transformer, electric control panel, factory lighting, etc., which is estimated at Rs. 16.39 lakhs.

e) Furniture and Fixtures and Office Equipments

The Company proposes to procure furniture and fixtures and other office equipments at an estimated amount of Rs 5 lakhs and Rs. 3 lakhs respectively.

5. Acquisition of Equipments for Granite Mining Operations in Orissa

The Company has secured lease of a granite quarry area measuring 2.792 hectares/ 6.90 acres (3,00,000 sq. ft.) located in Village Jungia under Bamangati sub-division, in Orissa from Government of Orissa. This quarry has deposit of decorative stones / green colored granite which has export potential. As per approved mining plan of the above said quarry, it has mineable granite reserves to the tune of 43,000 cubic meters. (Source: Appraisal Note). The Company proposes to process part of the granite to be extracted from the quarries at Balasore unit and the balance will be sold in the market.

The Company has also been allotted approximately 15.44 hectares/38.14 acres (16,61,000 sq. ft) of decorative stone (granite) quarry area in Village Palli, District Ganjam, Orissa. This quarry's granite is faint blue colored and has also export potential. This quarry is estimated to have proved mineable granite deposits to the tune of 2,60,078 cubic meters.

The brief details of granite quarries already secured are as under:

S. No.	Areas (Acres)	Areas (Hectare)	Location	Lease Period	Type of Granite	Remarks
1	6.90	2.792	Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa	10 Years w.e.f. June 25, 2004	Green	Quarry under operation and extraction of material commenced
2	38.14	15.44	Village Palli, Behrampur District, Ganjam, Orissa	20 Years w.e.f. April 19, 2006	Blue	Quarry under operation and extraction of material commenced but the dispatch of material is yet to commence.

a) Plant and Machinery:

The Company has already procured one set of required mining equipments to start mining operations at one site of the quarry and is now proposing to purchase three similar additional sets of above said mining equipments in order to operate these quarries.

The estimated cost of mining equipments proposed to be acquired are as under:

(Amount in Lakhs)							
Particulars	Imported/Indigenous	Supplier	Date of Quotation	No of units	Basic Cost per unit	Freight & Insurance*	Total Cost
Hydraulic Excavators PC 300LC-7	Indigenous	Larsen & Tubro Limited, New Delhi	December 18, 2006	1	60.51	1.21	61.72
Diamond Wire Saw-8860	Indigenous	M/s Friend Engineering Works, Udaipur	December 16, 2006	2	4.12	0.08	8.39
LD-4 Machine	Indigenous	J.B. Engineers, Udaipur	December 23, 2006	2	0.66	0.01	1.27
Air-Compressor	Indigenous	Abhishek Sales Corporation, New Delhi	November 18, 2006	2	5.51	0.11	11.23
Jack- Hammer	Indigenous	Drill Tech Engineers, New Delhi	December 18, 2006	3	0.31	0.01	0.95
Jack-Hammer	Indigenous	Drill Tech Engineers, New Delhi	December 18, 2006	4	0.20	0.01	0.81
DG Set-125 KVA Silent	Indigenous	Bhaskar Energy Private Limited, Pant Nagar, Uttaranchal	December 19, 2006	1	6.80	0.11	6.91
Hose Pipe, Couplings etc.	Indigenous	Abhishek Sales Corporation New Delhi	November 18, 2006	2	0.54	0.01	1.11
Diamond Tools Accessories	Indigenous	Cutting Edge Technologies, Baddi Himachal Pradesh	December 18, 2006	set	1.60	0.03	1.63
Drill Rods		Abhishek Sales Corporation New Delhi	December 19, 2006	2	0.69	0.01	1.41
Sub Total							94.38
Two Additional sets of above mining equipments for two additional site operations							188.77
Total							283.15

* Company's estimate

6. Setting up of Processing-cum-Retail Marketing Outlet at Delhi

The Company's existing marketing outlets are located at Delhi, Kolkata and Chennai. In Chennai, the Company has its marketing outlet on a rented premises whereas in Kolkata, it has its own premises. The Company now proposes to set up an additional retail marketing outlet at Delhi. Further, the Company proposes to install additional machineries at Chennai retail outlet.

The details of the estimated cost for setting up the retail-marketing outlet are as follows:

(Rs. in lakhs)

Particulars	Delhi	Chennai	Total
Land	550.00	-	550.00
Civil Works	14.70	-	14.70
Plant and Machinery – Indigenous	8.59	7.16	15.75
Furniture and Fixtures	2.00	1.00	3.00
Total	575.29	8.16	583.45

(i) Marketing outlet at Delhi

The Company proposes to set up its own retail-marketing outlet at Delhi. The proposed outlet will have small office block, display center and open area for stocking the finished goods and it is also proposed to install six small polishing machines with an objective to provide customized marble as per the specifications for different sizes for different customers.

a) **Land:** The Company proposes to purchase about 22,500 sq.ft. of commercial land in Chattarpur area of Delhi for the said outlet at an estimated cost of Rs. 550 lakhs.

b) **Office construction:** The cost involved in construction of office block cum display center is estimated to be Rs. 14.70 lakhs (1200 sq.ft. @ Rs. 600 Per sq. ft.) as per estimates given by Nirmal Contractors Private Limited vide their letter dated December 26, 2006, details of which are as follows:

Particulars	Area and unit cost	Total cost (Rs. in lakhs)
Office and Display Centers	1200 sq. ft @ Rs. 600 Per sq.ft.	7.20
Boundary Walls		7.50
Total		14.70

c) Plant and Machinery:

Particulars	Imported/ Indigenous	Supplier	Date of Quotation	No of units	Cost per unit*	Total Cost
Radial Polishing Machine	Indigenous	Surie Porex, New Delhi	December 19, 2006	6	1.43	8.59

d) Furniture and Fixtures

The Company proposes to procure furniture and fixtures at an estimated amount of Rs. 2.00 lakhs.

(ii) Marketing Outlet at Chennai

The Company has its marketing outlet on a rented premise in Chennai, which it further plans to expand, the details of which are given as under:

a) Plant and Machinery

The Company proposes to install five small polishing machines in its existing Chennai marketing outlet at an estimated cost of Rs.7.16 lakhs

(Rs. in lakhs)

Particulars	Imported/ Indigenous	Supplier	Date of Quotation	No of units	Cost per unit	Total Cost
Radial Polishing Machine for Chennai	Indigenous	Surie Porex, New Delhi	December 19, 2006	5	1.43	7.16

The Company has already placed order for five Radial Polishing Machines with Surie Porex, New Delhi at the rate of Rs. 1.40 Lakhs each. The Company has paid Rs. 2.50 Lakhs to Surie Porex, New Delhi towards the advance for the said machines.

b) Furniture and Fixtures

The Company proposes to procure Furniture and Fixtures at an estimated amount of Rs 1.00 lakhs.

7. Long Term Working Capital Requirement

The Company intends to increase its marble processing capacity from 12,600 MTPA to 50,400 MTPA after implementation of its expansion project. In addition, the Company also intends to set up granite processing unit in Orissa of 10,000 MTPA. The Company at present is enjoying fund based working capital facilities to the extent of Rs. 1185 lakhs from its existing banker viz. The Jammu & Kashmir Bank Limited. In addition, the Company is enjoying non-fund based working capital limits to the extent of Rs500 lakhs. The Company has estimated its long term working capital requirement as under:

Particulars	2007-08 (After Implementation)	
	Holding Period (Months)	Amount (Rs. In Lakhs)
Raw Material	1.63	1064.21
Work-in-Progress	-	-
Finished goods	1.33	866.19
Sundry Debtors	1.99	1899.20
Less: Sundry Creditors (Goods)	1.20	785.13
Working Capital Gap		3044.47
Less : Existing Working Capital gap as on March 31, 2006 already financed by the Bank and internal resources		1543.35
Incremental Gap		1501.12
Incremental Working capital Gap to be financed as under:		
i) IPO		1020.00*
ii) Internal Accruals		481.12
Total		1501.12

* This working capital gap, to be funded from IPO proceeds, has also been included in the appraisal note of the Bank.

8. Public Issue Expenses

The expenses for this issue includes issue management fees, selling commission, printing and distribution of issue stationery, advertisement and marketing expenses, legal fees and listing fees payable to the Stock Exchanges, among others. The total expenses for this issue are estimated to be Rs. [•] lakhs.

Activity	% total issue size*
Issue Management Fee	[•]
Registrars fees	[•]
Fee for Legal Counsel	
Printing and Distribution of Issue Stationery	[•]
Advertising and Marketing expenses	[•]
Other expenses(stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[•]
Total	[•]

* Will be incorporated after finalisation of Issue Price

9. Pre-Operative and Preliminary Expenses

Pre-operative and preliminary expenses include legal and professional expenses, interest during construction period, salaries, fees payable to the Registrar of Companies for increasing the authorized share capital, etc. and is estimated to be Rs. 79.70 lakhs.

10. Contingencies

Contingencies have been estimated keeping in view any cost escalation or unexpected expenditure including exchange fluctuation. The cost estimate is based on the quotations for majority of the capital equipments and no major change in the cost is expected. Considering these factors, provision for contingency has been considered by Jammu & Kashmir Bank Limited in their appraisal note at 2.50% aggregating to Rs. 90.25 lakhs.

11. General Corporate Purposes

The Company intend to utilize any surplus amount from the proceeds of this Issue towards general corporate purposes which includes but not restricted to offsetting working capital borrowings, meeting any contingencies on account of increase in cost of

plant & machinery or fluctuation in foreign exchange over and above provided for in the total cost of project, or any other purpose which the Board of Directors approve.

Infrastructural facilities

a) Power Consumption

The power requirement at various projects is as under:

Location	Power Requirement (KVA)
Greater Noida Marble Processing Unit	350*
Kolkata Marble Processing Unit	300
Bangalore Marble Processing Unit	300
Rairangpur Granite Mines	125
Balasore Granite Processing Unit	350

*Post expansion

The requirements of power at all locations are being met by installation of D.G. Set only.

b) Water

Water is used as lubricant for cutting the marble blocks in the gangsaw machines and the water keeps on recycling. About 10 kilolitre of water is required daily at Greater Noida and Balasore (Orissa) whereas water requirement at Kolkatta, Bangalore and Rairangpur (Orissa) is 5 kilolitre which will be met from borewell.

c) Manpower

The details of additional manpower requirement in different units are as under

Location	Manpower Requirement		
	Skilled	Unskilled	Total
Greater Noida	20	34	54
Kolkatta Unit	9	16	25
Bangalore	9	16	25
Rairangpur, Orissa	20	110	130
Balasore, Orissa	31	34	65
Total	89	210	299

All the proposed sites are located in industrial belts and the manpower will be sourced locally, which is easily available at various project sites. The management does not envisage any difficulty in sourcing the additional manpower required for the projects.

e) Effluent

- Air Pollution:** There is no air pollution generated from the marble and granite processing since no steam/chemical or gaseous elements are used in the processing. The only air pollution generated through use of D.G. sets for generation of power will be kept under control by increasing the stack height four meters above roof level.
- Water Pollution:**

Marble Processing Unit: Water is used as lubricant for cutting the marble blocks in the gangsaw machines and the water keeps on recycling. The material which comes under the blades of the marches gets converted into slurry and the same is separated from water through the sedimentation plant set up alongside the gangsaw machines. There is no water pollution caused in the process since water is re-cycled in the process.

Granite Processing Unit: Water and Lime are used as lubricants for cutting the granite blocks in the gangsaw machines and the same is recycled. The Company proposes to install water sedimentation plant at all the proposed processing units at Bangalore, Kolkatta, Balasore, Orissa in addition to existing location at Greater Noida for the same.
- Solid Waste:** Marble/Granite Slurry is generated through the processing of marble and granite. The slurry is used for land filling either in the factory premise or suitable designated places.
- Hazardous Waste:** The Company's processing units neither uses any substance of hazardous nature nor generates any effluent which contains hazardous waste.

The Company would also obtain no objection certificate from respective State Pollution Control Board for each of the location at the time of project implementation.

Raw Material

The Company requires marble blocks / slabs for its various marble processing units which are available indigenously and internationally. The import of rough marble blocks are regulated by Government of India and can only be imported under import license issued by Directorate General of Foreign Trade. As per the EXIM policy, the total import by all the processing units in India can not exceed 1.30 lakhs MT per licensing year. Further, the entitlement of individual eligible firm will be worked out on the basis of turnover of each of the eligible firms in the preceding year. The Company does not have adequate import license to meet its existing and future raw material requirements viz. rough marble blocks. The Company proposes to source its raw material viz. marble blocks / slabs from various indigenous sources in addition to imported marble blocks / slabs. As per EXIM Policy, import of semi processed marble slabs are subject to value cap of USD 2700 per cubic meter and the imports below this value cap are not permitted. The Company imports semi processed marble slabs in large quantities keeping in view the demand and quality. The Company does not foresee any difficulty in procuring its future requirement of raw material.

The raw material required for granite processing is rough granite blocks, which will be extracted / sourced from Company's owned quarries in Orissa.

Implementation Schedule

The details of the implementation schedule of the proposed projects, as envisaged by the Company, are as under:

1. Expansion of Greater Noida Marble Processing Unit:

Activity	Start	Finish
Acquisition of Land for the Project	Already in place	
Land Development	Already Done	
Construction of Factory Building	March, 2007	May, 2007
Placement of Orders of Plant and Machinery	March, 2007	March, 2007
Delivery of Machinery from Suppliers	June 2007	July, 2007
Installation of Machinery	July, 2007	July, 2007
Project Commissioning and Commencement of Production	August, 2007	

However, as per appraisal report of the bank, machines were expected to be installed by September, 2006 and production was envisaged from October, 2006.

2. Setting up of Kolkata Marble Processing Unit:

Activity	Start	Finish
Acquisition of Land for the Project	June 2006	March, 2007
Land Development	Already commenced for the land in possession	April, 2007
Construction of Factory Building	May, 2007	June, 2007
Placement of Orders of Plant and Machinery	June 2006	March, 2007
Delivery of Machinery from Suppliers	June, 2007	July, 2007
Installation of Machinery	July, 2007	August, 2007
Project Commissioning and Commencement of Production	September, 2007	September, 2007

However, as per appraisal report of the bank, the project was expected to be implemented by December, 2006 and production expected to commence from January, 2007.

3. Setting up of Bangalore Marble Processing Unit:

Activity	Start	Finish
Acquisition of Land for the Project	March, 2007	March, 2007
Land Development	April, 2007	April, 2007
Construction of Factory Building	May, 2007	June, 2007
Placement of Orders of Plant and Machinery	March 2007	March 2007
Delivery of Machinery from Suppliers	June, 2007	July, 2007
Installation of Machinery	July, 2007	August, 2007
Project Commissioning and Commencement of Production	August, 2007	September, 2007

As per appraisal note of the bank, the project was expected to be implemented by December, 2006 and production expected to commence from January, 2007.

4. Granite Mining Quarries at Orissa:

Activity	Start	Finish
Acquisition of Quarries	Already in place	
Preparatory Work	Already done	
Placement of Orders for Mining Equipments	March, 2007	March, 2007
Delivery of Mining Equipments from Suppliers	June, 2007	June, 2007
Commencement of Mining excavation at new sites	July, 2007	

(As per Company's estimate)

5. Setting up of Granite Processing Unit at Balasore (Orissa):

Activity	Start	Finish
Acquisition of Land for the Project	Already in place	
Land Development	Already commenced	
Construction of Factory Building	March, 2007	May, 2007
Placement of Orders of Plant and Machinery	March, 2007	March, 2007
Delivery of Machinery from Suppliers	May, 2007	June, 2007
Installation of Machinery	June, 2007	July, 2007
Project Commissioning and Commencement of Production	July, 2007	August, 2007

As per appraisal report of the bank, the project is expected to be implemented by December 2006 and Production expected to commence from January 2007.

6. Setting up of Marketing Outlet at Delhi:

Activity	Start	Finish
Acquisition of Land for the Outlet/Godown at Delhi	March, 2007	March 2007
Land Development	April, 2007	May, 2007
Civil work - Display Centre and Marketing Office	May, 2007	June, 2007
Interiors and Finishing	June, 2007	July, 2007
Placement of Orders for Machinery	March, 2007	March, 2007
Delivery of Machinery from Suppliers	June, 2007	June, 2007
Commencement of Commercial operations	July, 2007	

7. Purchase of machinery and furniture for marketing office at Chennai:

Activity	Start	Finish
Placement of Order:	June, 2006	March, 2007
Delivery and Installation	April, 2007	April, 2007

MEANS OF FINANCE

Means of finance as per the appraisal note and as per Company's estimates is as follows:-

(Rs. in lakhs)

S.No.	Particulars	As per Company's Estimates (Amount)	As per Appraisal Note (Amount)
1	Term Loans from The Jammu & Kashmir Bank Limited	720.00	720.00
2	Internal Accruals	152.16	183.25
3	Increase in share capital before IPO* by Promoters	117.00	117.00
4	Issue Proceeds	[-]	3700.00
	Total	[-]	4720.25

*The promoter/promoter group of the Company has already introduced the required increase of Rs.117 Lakhs in share capital of the Company before IPO and have been allotted 11,70,000 Equity Shares of Rs. 10/- each at face value on May 17, 2006.

Firm arrangements of finance through verifiable means towards 100% of the stated means of finance excluding the amount to be raised through public issue have been made.

The excess proceeds, if any, from the present issue would be utilized towards working capital and / or general corporate purposes. The shortfall in funds, if any, shall be met from internal accruals / resources.

The Jammu & Kashmir Bank Limited have earlier sanctioned a term loan of Rs. 200 lakhs in October, 2005 for capital expenditure at Orissa. The Company further planned to expand its operations by setting up processing unit at different locations and approached The Jammu & Kashmir Bank Limited for enhancement of its fund based limits, as they have not availed any term loan from the bank for the said expansion. The bank appraised the project and sanctioned total term loan of Rs. 720 lakhs (inclusive of Rs. 200 lakhs already sanctioned but not availed) vide their letter No. JKB/ CP/Adv./06-504 dated May 4, 2006.

The details of sanction are as under:

Facility	Amount (Rs. in lakhs)	Interest	Repayment	Security
Term Loan	720.00	PLR + 0.50% (effective interest rate – 11.50% p.a. payable monthly)	24 equal quarterly instalments of Rs. 30 lakhs each commencing from September, 2006.	Primary Security: <ul style="list-style-type: none"> • Extension of charge on all the securities already held/to be held by the bank in case of the term loan 1st and 2nd (already sanctioned by the bank but not disbursed/availed yet). • Agreement to charge all the existing /proposed fixed assets to be created out of bank funds/IPO funds/internal accruals of the Company as given in the project/expansion programme at Greater Noida, Delhi, Chennai, Orissa, Bangalore & Kolkata. • Hypothecation of all plant and machinery both existing and to be created out of bank funds/IPO funds/internal accruals of the Company as given in the expansion programme at Greater Noida, Delhi, Chennai, Orissa, Bangalore and Kolkata.

Internal Accruals

The project is proposed to be part funded through internal accruals amounting to Rs. 152.16 lakhs and is proposed to be spent upto June, 2007. The Company has free reserves to the extent of Rs. 263.02 lakhs as on March 31, 2006 and Rs. 539.79 lakhs as on December 15, 2006. The Company has reported a profit after tax of Rs. 276.25 lakhs on a total income of Rs. 5204.16 lakhs for the financial year 2005-06 and Rs. 276.77 lakhs on a total income of Rs. 5, 323.46 lakhs for the period ended on December 15, 2006. Thus the Company has adequate internal accruals to part finance the expansion as the means of finance stated above.

Proposed Deployment of funds in the Project

(Amount in Lakhs)

Particulars	Already incurred Till Date	Quarter Ended Mar-07	Quarter Ended Jun-07	Quarter Ended Sep-07	Total Amount
Land	17.86	972.64	0.00	0.00	990.50
Building	32.23	404.83	68.98	0.00	506.04
Plant & Machinery					
Indigenous	8.24	562.79	93.80	273.15	937.98
Imported	0.00	208.46	625.38	0.00	833.85
Foundations	0.00	0.00	107.00	0.00	107.00
Design & Installation	0.00	18.75	52.25	4.00	75.00
Electrical Installation	6.50	11.14	38.08	0.00	55.72
Office equipment	1.03	0.00	1.70	6.27	9.00
Furniture & Fixture	1.37	0.00	0.00	10.63	12.00
Pre-operative	17.63	18.69	22.22	11.16	69.70
Sub-Total	84.86	2197.30	1009.41	305.50	3596.79
IPO (Issue) Expenses	42.19	[•]	0.00	0.00	[•]
Preliminary Expenses	9.51	0.49	0.00	0.00	10.00
Contingencies	0.00	[•]	[•]	[•]	[•]
Long Term Working Capital	0.00	208.75	318.75	492.50	1020.00
General Corporate purposes	0.00	0.00	[•]	[•]	[•]
Grand Total	136.55	[•]	[•]	[•]	[•]

(As per Company's estimate)

Expenditure already incurred till date

The expenditure incurred on various projects up to the period ended -December 30, 2006 as certified by the auditors of the Company, Mehra Wadhwa & Co., Chartered Accountants pursuant to their certificate dated January 1, 2007 is given below :-

(Rs in Lakhs)

Particulars	Funds Deployed till December 30, 2006								Total
	Greater Noida unit	Kolkata unit	Orissa Mining	Balasore unit	Chennai retail outlet	Delhi retail outlet	Preliminary Expenses	Public Issue Expenses	
Advance for Land	-	17.86	-	-	-	-	-	-	17.86
Factory Building (Work in Progress)	19.24	9.99	-	3.00	-	-	-	-	32.23
Plant and Machinery	-	-	0.57	2.17	-	-	-	-	2.74
Advance for Plant and Machinery	-	3.00	-	-	2.50	-	-	-	5.50
Electrical Installations	6.50	-	-	-	-	-	-	-	6.50
Office Equipments	-	-	-	0.73	-	0.30	-	-	1.03
Furniture and Fixture	-	-	-	0.50	-	0.87	-	-	1.37
Pre-Operative Expenses	-	-	7.79	9.84	-	-	-	-	17.63
Public Issue Expenses	-	-	-	-	-	-	-	42.19	42.19
Preliminary Expenses	-	-	-	-	-	-	9.51	-	9.51
Total	25.74	30.85	8.36	16.24	2.50	1.17	9.51	42.19	136.55

Sources of Funds:

Equity participation by Promoter Group	Rs. 117.00 lakhs
Internal Accruals	Rs. 19.55 lakhs
TOTAL	Rs. 136.55 lakhs

Interim Use of Proceeds

Pending utilization for the purposes described above, the Company intends to temporarily invest the funds from the Issue in off-setting working capital borrowings of the Company and/or depositing the funds in a scheduled bank as Fixed Deposit as may be authorized / approved by Board of Directors of the Company.

Monitoring of Funds

The appointment of monitoring agency was not required in accordance with Clause 8.17.1 of SEBI (DIP) Guidelines, 2000. However, the Jammu & Kashmir Bank Limited vide their letter dated May 17, 2006 has agreed to act as the Monitoring Agency for monitoring the utilization of IPO proceeds. As per regulatory requirements, the Company will disclose the utilization of the proceeds of the Issue under a separate head in its Balance Sheet clearly specifying the purpose for which such proceeds have been utilized. The Company will also, in its Balance Sheet, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The Company will also make such disclosures as required under the listing agreements into with BSE and NSE.

The Company undertakes for self-monitoring of utilization of funds by forming a project committee, appointing nodal officer, opening escrow account, monitoring by progress reports. The Company will pay no part of the proceeds of the Issue as consideration to its Promoters, its Directors, key managerial personnel or companies promoted by its Promoters except in the usual course of business.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, Company's Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, FIPB, 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 Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of allotment.

Mode of payment of Dividend

The Company shall pay dividend to its shareholders as per the provisions of the Companies Act, 1956, if recommended by their board and declared at its general meeting.

Face value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being issued in terms of the Red Herring Prospectus at a Issue Price of Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any preferential claims being set aside;
- Right of free transferability; and

Such other rights, as may be available to a shareholder of a listed public Company under the Companies Act, terms of the Listing Agreements with stock exchanges and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of Articles of Association of the Company dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section on "Main Provisions of Articles of Association of the Company" on page 149 of this Red Herring Prospectus.

Market lot and trading lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. As per existing SEBI Guidelines, the trading of Equity Shares of the Company shall only be in dematerialised form.

Since trading of Equity Shares of the Company is compulsorily in dematerialized mode, the tradable lot is one Equity Share.

Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares subject to a minimum Allotment of 125 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor,

the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of the Company or at the Registrar and Transfer Agents of the Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount, including devolvement on Underwriters, within 60 days from the Bid Closing Date, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company become liable to pay the amount (i.e., 60 days from the Bid Closing Date), the Company shall pay interest prescribed under Section 73 of the Companies Act.

If atleast 10% of the Issue Size cannot be allotted to QIBs then the entire application money will be refunded.

Arrangements for disposal of odd lots

Since the market lot for Equity Shares of the Company will be one, no arrangements for disposal of odd lots are required.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Delhi, India.

Withdrawal of the issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date, without assigning any reason thereof.

BASIS FOR ISSUE PRICE**Qualitative Factors:**

- The Company has experience in marble / granite industry and is having its existing marble processing unit in Greater Noida in National Capital Region
- The Company has acquired mining rights for two granite / decorative stone quarries in Orissa
- The Company has marketing outlets at Delhi, Kolkatta and Chennai and also sells its products through wholesalers.

Quantitative Factors:**1. Adjusted Earning Per Equity Share**

Period (Financial Year)	Earning Per Share (Rs.)	Weights Used
2003-04	3.25	1
2004-05	2.95	2
2005-06	6.38	3
April 1, 2006 to December 15, 2006	7.10*	
Weighted Average	4.72	

*Annualised Earning Per Share calculated by annualizing EPS for the period April 1, 2006 to December 15, 2006 of Rs. 5.03. EPS has been calculated as Profit After Tax / Total number of fully paid up Equity Shares. Profit After Tax, as restated and appearing in the statement of profit and losses has been considered for the purpose of computing the ratio.

2. Price / Earning Ratio (P/E) in relation to Price Band of Rs. 40 to Rs. 48

- Based on the Financial Year 2006 EPS of Rs. 6.38, P/E ratio is 7.52 at the upper end of the price band and 6.27 at the lower end of the price band.
- Based on weighted average EPS of Rs. 4.72, P/E ratio is 10.17 at the upper end of the price band and 8.47 at the lower end of the price band.
- Industry P/E – There is no published data available for Industry P/E as companies in the business of marble granites are classified under Miscellaneous Sector. However, comparable ratios of companies, which are in the same business, are given under point no. 6.

3. Return on Networth (RoNW)

Financial year	RONW (%)	Weights
2003-2004	17.84	1
2004-2005	13.86	2
2005-2006	40.89	3
April 1, 2006 to December 15, 2006	38.91*	
Weighted Average RONW	28.04	

* Accounting ratio for the period April 1, 2006 to December 15, 2006 is annualized.

Return on Networth = Profit After Tax / Total Net worth, whereas Networth = Fully paid up Share Capital + Free Reserves – Miscellaneous Expenditure.

- Minimum return on increased net worth required to maintain Pre issue EPS of Rs. 6.38 is 19.76% at the lower end of the price band and 17.04 % at the higher end of the price band

5. Net Asset Value per Equity share (NAV)

- As of March 31, 2006 : Rs. 15.59
- As of December 15, 2006 : Rs. 18.25
- After the Issue : Rs. 32.28 at the lower end of the price band and Rs. 37.44 at the higher end of the price band.

NAV per share = Paid up share capital + Reserves and surplus – Miscellaneous expenditure not yet written off / No. of shares of the Company outstanding.

6. Comparison with Industry Peers*

The comparable ratios of companies* which are to some extent similar are as given below:

Particulars	E.P.S. (Rs.) (TTM)	P/E	Book Value (Rs.)	RONW (%)
Oriental Trimex Limited	6.38	-	18.25	40.89
Aro Granite	19.7	5.3	79.2	15.2
Madhav Marbles	20.3	6.5	86.5	21.8
Inani Marbles	2.3	13.4	30.0	4.2
Himalaya Granites	-	-	73.2	1.1
Pokarna Limited	16.4	14.1	125.7	14.5

* The Companies are classified under Miscellaneous Sector in Capital Market Magazine. (Source: Capital Market dated January 1 – 14, 2007)

The face value of the shares of the Company is Rs. 10/- per share and the issue price of Rs. [-] per share is [-] times of the face value of the Equity Shares of the Company.

The BRLM believe that the issue price of Rs. [•] is justified in view of the above qualitative and quantitative factors. See the section titled “Risk Factors” and “Financial Statements” beginning on page from iii and 83 respectively on this Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

The Board of Directors,
Oriental Trimex Limited
708, 7th Floor, Padma Tower-1
5 Rajindra Place, New Delhi-110 008

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders, of the Company under the Income tax Act, 1961 (provisions of Finance Act, 2006), Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

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

For Mehra Wadha & Co.
Chartered Accountants, New Delhi

Rakesh Mehra
Partner
Membership No. 83784

Place: New Delhi
Date: December 26, 2006

STATEMENT OF TAX BENEFITS AVAILABLE TO ORIENTAL TRIMEX LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS

A. Tax Benefits available to the Company

A.1 Under the Income Tax Act, 1961

1. Deduction under Section 80-IB of the Act

The entire profit of the Balasore Unit is eligible for deduction @ 100% under section 80-IB of the Act for the period of five consecutive assessment years and thereafter at thirty per cent for subsequent assessment years beginning from the year in which undertaking commenced the manufacturing activity. However, the total period of deduction shall not exceed ten consecutive assessment years. The profits of the division for the purposes of Section 80-IB of the Act shall be computed on stand alone basis and the division must satisfy the other conditions of the Act prescribed therein.

2. Dividends (whether interim or final) declared, distributed or paid by any other domestic Company on or after April 01, 2003 is completely exempt from tax in the hands of the Company, in the capacity as a shareholder, as per the provision of 10(34) of the Act read with Section 115O of the IT Act Further, income from units of a Mutual Fund specified under section 10(23D) of the Act would also be exempt as per the provisions of section 10(35) of the Act.
3. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a Company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a Company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units, held for more than 12 months would be considered as "long term capital gains".

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

Long-term capital gains, as computed above, would be subject to tax @ 20% (plus applicable surcharge and education cess) as per the provisions of section 112(1)(b) of the Act. However, as per the proviso to Section 112(1)(b), if the tax payable in respect of long-term capital gains resulting on transfer of listed securities or units (not covered by section 10(38)), calculated @ 20% with indexation benefit exceeds the tax payable on gains computed @ 10% without indexation benefit, then such gains are chargeable to tax @ 10% without indexation benefit (plus applicable surcharge and education cess) .

4. As per the provisions of section 10(38) of the Act, long term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of an equity oriented mutual fund shall be exempt from Tax if such transfer/sale takes place after October 01, 2004 and such sale is subject to Securities Transaction tax.
5. As per the provisions of section 111A of the Act, short term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange or from the sale of units of equity oriented mutual fund shall be subject to tax @ 10% (plus applicable surcharge and education cess), provided such a transaction is entered into after October 01, 2004 and the transaction is subject to Securities Transaction Tax.
6. As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, the Company would be entitled to exemption from tax on capital gains arising from transfer of the long term capital asset (not covered by section 10 (38)), if such capital gain is invested in certain notified bonds within six months after the date of transfer. Where the notified bonds are transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the notified bonds are transferred or converted into money.
7. As per the provisions of Section 54ED of the Act and subject to the conditions specified therein, the Company would be entitled to exemption from tax on capital gains arising from transfer of long term capital assets, being listed securities or units of a mutual fund specified under Section 10 (23D) of the Act or the UTI (not covered by section 10(38)) to the extent such gains are invested in acquiring Equity Shares forming part of an 'eligible issue of capital' within six months from the date of transfer of the said long term capital assets.

Eligible issue of capital has been defined as an issue of equity shares which satisfies the following conditions:

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

Where the specified equity shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified equity shares are sold or otherwise transferred.

Deduction under Section 32:

As per provisions of Section 32(1)(iia) of the Act, the company is entitled to claim additional depreciation of 20 per cent of the actual cost of any new machinery or plant which has been acquired and installed after 31st March 2005 subject to fulfillment of conditions prescribed therein.

B. Tax Benefits available to the Resident Shareholders

1. Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the Act read with Section 115O of the Act.
2. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units, held for more than 12 months would be considered as "long term capital gains". Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Long-term capital gains, as computed above, would be subject to tax @ 20% (plus applicable surcharge and education cess) as per the provisions of section 112(1)(b) of the Act. However, as per the proviso to Section 112(1)(b), if the tax payable in respect of long-term capital gains resulting on transfer of listed securities or units (not covered by section 10(38)), calculated @ 20% with indexation benefit exceeds the tax payable on gains computed @ 10% without indexation benefit, then such gains are chargeable to tax @ 10% without indexation benefit (plus applicable surcharge and education cess).

3. As per the provisions of section 10(38) of the Act, long term capital gain arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be exempt from tax if such transfer takes place after October 01, 2004 and the transaction is subject to Securities Transaction tax.
4. As per the provisions of section 111A of the Act, short term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be subject to tax @ 10% (plus applicable surcharge and cess), provided such a transaction is entered into after October 01, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the Act.
5. As per the provisions of section 88E, where the business income of a resident includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However, the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
6. As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, the shareholders would be entitled to exemption from tax on long term capital gains arising on transfer of their shares in the Company (not covered by section 10(38)), if such capital gain is invested in certain notified bonds within six months after the date of transfer. Where the notified bonds are transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the notified bonds are transferred or converted into money.
7. As per the provisions of Section 54ED of the Act and subject to the conditions specified therein, the shareholders would be entitled to exemption from tax on long term capital gains arising on transfer of their shares in the company, being listed securities (not covered by 10(38)), to the extent such capital gains are invested in acquiring Equity Shares forming part of

an 'eligible issue of capital' within six months after the date of such transfer.

Eligible issue of capital has been defined as an issue of equity shares which satisfies the following conditions:

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

Where the specified equity shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified equity shares are sold or otherwise transferred.

8. As per the provisions of section 54F of the Act and subject to the conditions specified therein, in case of a shareholder being an individual or a Hindu Undivided Family (HUF), the shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company (not covered by section 10 (38)), upon investment of net consideration in purchase/construction of a residential house within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If part of net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis.

If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted earlier shall be charged to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired or constructed.

C. Tax Benefits available to the Non-Resident Indian Shareholders

1. Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the Act read with Section 115O of the Act.
2. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units, held for more than 12 months would be considered as "long term capital gains".

Section 48 of the Act contains special provisions in relation to computation of long term capital gains on transfer of an Indian company's shares by non-residents. Computation of long-term capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

Gains arising on transfer of short term capital assets are normally chargeable at the tax rates as applicable to the status of the shareholder. As per the provisions of section 111A of the Act, short term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be subject to tax @ 10% (plus applicable surcharge and cess), provided such a transaction is entered into after October 01, 2004 and the transaction is subject to Securities Transaction Tax.

3. In the case of shareholder being a non-resident Indian and subscribing to shares in convertible foreign exchange, in accordance with and subject to the conditions specified in Section 115D read with Section 115E of the Act, long term capital gains arising from the transfer of an Indian company's shares (not covered by section 10(38)), will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit BUT WITH PROTECTION AGAINST FOREIGN EXCHANGE FLUCTUATION.

In case of a shareholder being a non-resident Indian and subscribing to the shares in convertible foreign exchange in accordance with and subject to the conditions and to the extent specified in Section 115F of the Act, the non-resident Indian shareholder would be entitled to exemption on a proportionate basis from long term capital gains (not covered by section 10(38)) on the transfer of shares in the Company upon investment of whole or part of such net consideration received on

such transfer within six months after the date of such transfer in any specified asset or savings certificates referred to in section 10(4B) of the Act. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

The specified asset or savings certificates in which the investment has been made are restricted from being transferred within a period of three years from the date of investment. In the event of such a transfer, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified assets or savings certificates are transferred.

4. In accordance with the provisions of Section 115G of the Act, a Non-Resident Indian is not obliged to file a return of income under Section 139(1) of the Act, if his only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
5. In accordance with the provisions of Section 115H of the Act, when a Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.
6. As per the provisions of section 115I of the Act, a Non-Resident Indian as defined therein may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act. The said chapter inter alia entitles an Non-Resident Indian to the benefits stated there-under in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.
7. In the event the shares have been subscribed to in Indian Rupees, Section 48 of the Act shall apply which prescribes the mode of computation of capital gains and provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Long-term capital gains would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) as per the provisions of section 112(1)(b) of the Act. However, as per the proviso to Section 112(1)(b), if the tax payable in respect of long-term capital gains resulting on transfer of listed securities or units (not covered by section 10(38)), calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge and education cess).

8. As per the provisions of section 10(38) of the Act, long term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be exempt from tax if such transfer takes place after October 01, 2004 and the sale is subject to Securities Transaction tax.
9. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
10. As per the provisions of Section 90(2) of the Act, the provisions of the Act would apply over the provisions of the tax treaty to the extent they are more beneficial to the Non-Resident.

D. Tax Benefits available to Other Non-Resident Shareholders

1. Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 01, 2003 is completely exempt from tax in the hands of the shareholders of the Company, as per the provisions of 10(34) of the IT Act read with Section 115O of the Act.
2. Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets (except shares held in a company or any other security listed in a recognized stock exchange in India or a unit of the UTI or a unit of a mutual fund specified under section 10(23D)) are considered to be long-term capital assets if they are held for a period in excess of 36 months. Shares held in a company, any other listed securities, units of UTI and Mutual Fund units are considered as long term capital assets if these are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of shares held in a company or any other listed security or units of UTI or Mutual Fund units, held for more than 12 months would be considered as “long term capital gains”.

Section 48 of the Act contains special provisions in relation to computation of long term capital gains on transfer of an Indian company's shares by non-residents. Computation of long-term capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

Gains arising on transfer of short term capital assets are normally chargeable at the tax rates as applicable to the status of the shareholder. Short Term capital gains arising from the transfer of Equity Shares in any company through a recognized stock exchange shall be subject to tax @ 10% (plus applicable surcharge and cess), provided such a transaction is entered into after October 01, 2004 and the transaction is subject to Securities Transaction Tax, as per the provisions of section 111A of the Act.

3. In the event the shares have been subscribed to in Indian Rupees, Section 48 of the Act shall apply which prescribes the mode of computation of capital gains and provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Long-term capital gains would be subject to tax @ 20% (plus applicable surcharge and education cess) as per the provisions of section 112(1)(b) of the Act. However, as per the proviso to Section 112(1)(b), if the tax payable in respect of long-term capital gains resulting on transfer of listed securities or units (not covered by section 10(38)), calculated @ 20% with indexation benefit exceeds the tax payable on gains computed @ 10% without indexation benefit, then such gains are chargeable to tax @ 10% without indexation benefit (plus applicable surcharge and education cess).

4. As per the provisions of section 10(38) of the Act, long term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be exempt from tax if such transfer takes place after October 01, 2004 and the transaction is subject to Securities Transaction tax.
5. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
6. As per the provisions of Section 54EC of the Act and subject to the conditions specified therein, the non-resident shareholders would be entitled to exemption from tax on capital gains arising from transfer of the long term capital asset (not covered by section 10 (38)), if such capital gain is invested in certain notified bonds within six months after the date of transfer. Where the notified bonds are transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the notified bonds are transferred or converted into money.
7. As per the provisions of Section 54ED of the Act and subject to the conditions specified therein, the non-resident shareholders would be entitled to exemption from tax on long term capital gains arising on transfer of their shares in the company, being listed securities (not covered by 10(38)), to the extent such capital gains are invested in acquiring Equity Shares forming part of an ‘eligible issue of capital’ within six months after the date of such transfer.

Eligible issue of capital has been defined as an issue of equity shares which satisfies the following conditions:

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

Where the specified equity shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified equity shares are sold or otherwise transferred.

8. As per the provisions of section 54F of the Act and subject to the conditions specified therein, in case of a non-resident shareholder, being an individual or a Hindu Undivided Family (HUF), the non-resident shareholder would be entitled to exemption from long term capital gains on the sale of shares in the Company (not covered by section 10 (38)), upon investment of net consideration in purchase /construction of a residential house within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If part of net consideration is invested within the prescribed period

in a residential house, then such gains would not be chargeable to tax on a proportionate basis.

If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted earlier shall be charged to tax as long term capital gains in the year in which such residential house is transferred.

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

9. As per the provisions of Section 90(2) of the Act, the provisions of the Act would apply over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident.

E. Tax Benefits available to Foreign Institutional Investors (FIIs)

1. Dividends (whether interim or final) declared, distributed or paid by the Company on or after April 1, 2003 is completely exempt from tax in the hands of the shareholders of the Company, as per the provisions of section 10(34) of the IT Act read with Section 115O of the Act.
2. In case of a shareholder being a Foreign Institutional Investor (FIIs), in accordance with and subject to the conditions and to the extent specified in Section 115AD of the Act, tax on long-term capital gain (not covered by section 10(38)) will be 10% (plus applicable surcharge and education cess) and on short-term capital gain will be 30% (plus applicable surcharge and education cess) in either case. However, short-term capital gains from the transfer of Equity Shares in any company through a recognised stock exchange shall be subject to tax @ 10% (plus applicable surcharge and education cess), provided such a transaction is entered into after October 01, 2004 and the transaction is subject to Securities transaction tax as per the provisions of section 111A of the Act. It is to be noted that the benefits of Indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FIIs.
3. As per the provision of Section 90(2) of the Act, the provisions of the Act would apply over the provisions of the tax treaty to the extent they are more beneficial to the FII.
4. As per the provisions of section 10(38) of the Act, long term capital gains arising from the transfer of Equity Shares in any company through a recognised stock exchange shall be exempt from tax if such transfer takes place after October 01, 2004 and such transaction is subject to Securities Transaction tax.
5. As per the provisions of section 88E, where the business income of an assessee includes profits and gains from sale of taxable securities, a rebate shall be allowed from the amount of income tax equal to the Securities transaction tax paid on such transactions. However the amount of rebate shall be limited to the amount arrived at by applying the average rate of income tax on such business income.
6. As per the provisions of Section 54ED of the Act and subject to the conditions specified therein, the FII shareholders would be entitled to exemption from tax on long term capital gains arising on transfer of their shares in the company, being listed securities (not covered by 10(38)), to the extent such capital gains are invested in acquiring Equity Shares forming part of an 'eligible issue of capital' within six months after the date of such transfer.

Eligible issue of capital has been defined as an issue of equity shares which satisfies the following conditions:

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

Where the specified equity shares are sold or otherwise transferred within a period of one year from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the specified equity shares are sold or otherwise transferred.

F. Tax Benefits available to Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of Section 10 (23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from Income Tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

G. Tax Benefits available to Venture Capital Companies/Funds

In case of a shareholder being a Venture Capital Company / Fund, as per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, would be exempt from Income Tax, subject to the conditions specified.

H. Benefits available under the Wealth Tax Act, 1957

As per the prevailing provisions of the above Act, no Wealth Tax shall be levied on value of shares of the Company.

I. Benefits available under the Gift Tax Act

As no Gift tax is leviable in respect of gifts made on or after October 1, 1998, any gift of shares will not attract gift tax.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2006 and will be available only to the sole / first named holder in case the shares are held by joint holders.
2. In respect of non-residents, 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.
3. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme. The tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

For **Mehra Wadha & Co.**

Chartered Accountants, New Delhi

Rakesh Mehra

Partner

Membership No. 83784

Place: New Delhi

Date: December 26, 2006

SECTION IV – INDIAN STONE INDUSTRY –AN OVERVIEW

Indian Economic Scenario- An overview

The Industrial sector in India registered a growth during financial year 2004-05, primarily due to the growth manufacturing sector of 8.9% as compared to 6.9% during previous year. Spending on infrastructure including construction activities in India has also increased during last 2-3 years. Disposable incomes of middle class have gone up and consequently the demand for housing has gone up. Lot of new commercial complexes, shopping malls, restaurants, residential complexes are being constructed in metro cities and the same are also planned in the state capitals and smaller cities. Accordingly, the consumption of all building materials like cement, steel, flooring materials like tiles, marble, granite, etc. has gone up during last 2-3 years. Further, construction of more hotels is planned on account of increasing demand and Common Wealth Games in the year 2010.

Stones are still the mainstays of civil construction in India, with stones being used extensively in public buildings, hotels, temples etc. It is now increasingly being used in homes also. According to the Confederation of Indian Industry (CII), increased investment in infrastructure has led to a surge in the activities of the construction industry.

There is a clear increase in fund allocations for the Infrastructure sector in the tenth plan (2002-2007) by the Planning Commission; most of which are to be spent in the construction sector. The CII report states that besides the direct impact of this spending on the construction sector, this would also have a ripple effect boosting demand in other core sectors, such as cement and steel, (on spending in other sectors), thereby having a positive impact on the Indian economy as a whole. (Source: CII News Article Construction Industry on a growth mode (5th September, 2005)

Marble Deposits in India

Marble reserves in India were re-assessed by Indian Bureau of Mines in the year 2000. The estimates of marble deposits are:

State	Total (In Million tons)
Rajasthan	1144
Jammu and Kashmir	405
Madhya Pradesh (estimated)	400
Gujarat	95
Chhatisgarh	83
Maharashtra	59
Haryana	22
Uttaranchal	6
Sikkim	2
All India Total	2216

(Source: www.cdos-india.com)

Granite deposits in India

India has one of the best granite deposits in the world having vast varieties comprising over 200 shades. India accounts for over 20% of the world resources in granite. Granite reserves in India have now been estimated by Indian Bureau of Mines at over 42,916 million cubic meters. Splendid black and multicolour varieties of granite are available in the states of Karnataka, Andhra Pradesh, Tamil Nadu and Uttar Pradesh. Granite deposits are also widespread over provinces of Rajasthan, Bihar, West Bengal and Gujarat. India is the largest exporter of granite and granite products in the world.

State	Total (In Million cu. m.)
Karnataka	9740
Jharkhand	8847
Rajasthan	8479
Madhya Pradesh	6271
Andhra Pradesh	2788
Orissa	2135
Maharashtra	1159
Bihar	878
Tamil Nadu	713
Assam	584

Uttar Pradesh	495
Gujarat	420
Meghalaya	286
Chhatisgarh	50
Haryana	34
West Bengal	33
Kerala	4
All India Total	42916

(Source: www.cdos-india.com)

Production of Stone in India

India is one of the largest producers of stones in the world. The Indian stone industry has been growing steadily at an annual rate of around 10% per year for the past few years.

INDIAN STONE PRODUCTION (In thousand tons)

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Marble	3186	3712	3622	3761	4754	6831	6318	7511	8469	9608
Granite	4555	4550	4950	5000	5300	5900	6205	6710	7059	7759
Sandstone	4562	5501	5461	6310	9297	6659	6861	6363	8153	9313
Flaggy Limestone	1760	1710	2118	1428	1619	2096	2164	3387	3757	4268
Slate	7	11	10	7	12	16	18	14	11	110

(Source: www.cdos-india.com)

Export of stones from India

India is one of the leading countries in the production and export of marble, granite and other stones. Granite is a very hard crystalline, igneous or metamorphic rock primarily composed of feldspar, quartz and lesser amounts of dark minerals. India has vast resources of granite with about 110 varieties of different colours and textures such as black, grey, pink, and multi coloured etc. These varieties are used to produce monuments, building slabs, tiles, surface plates etc. Granite deposits are widely spread over the entire country. However, popular varieties are mainly found in Rajasthan, Orissa, Madhya Pradesh, Gujarat, Andhra Pradesh, Maharashtra, and Tamil Nadu. Export of Granite and Marble is freely allowed. Granite is exported mainly to Italy, china, USA, Japan, UK, Germany, Netherlands, and West Asia.

Export of Granite and Marble & Other Stones vis-a-vis Granite

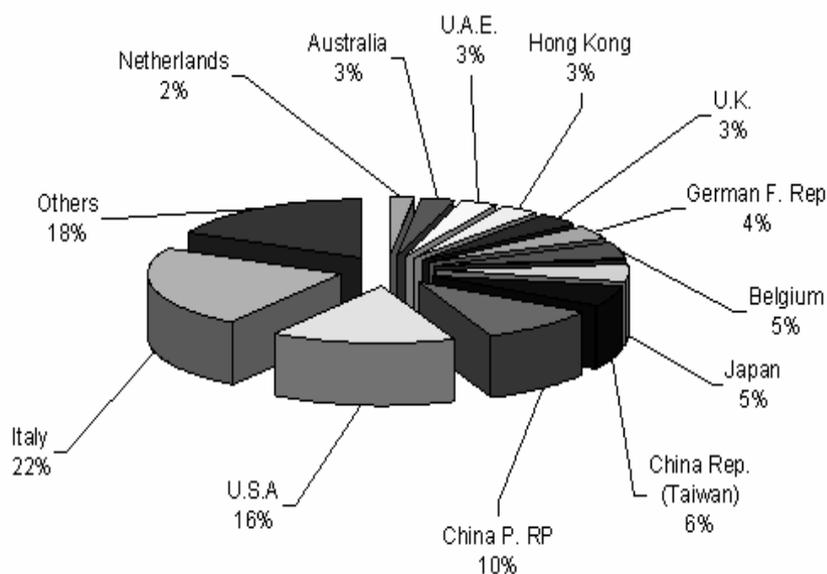
Year	Granite & Marble & other stone products	Granite Export Value in Rs. Crore
1999-2000	2079	1671
2000-2001	2498	1954
2001-2002	2650	2100
2002-2003	2752	2306
2003-2004 (estimated)	2900	2400

(Source: www.dipp.nic.in)

India's share of export of processed granite products (value added) has increased from 10% in the year 1985-86 to approximately 60% in the year 2002-2003 as against granite dimensional blocks. Thus, granite industry in India has been quite successful in exports.

India is the third largest exporter of stones in the world and is a global leader in the export of siliceous stones. The leading importers of stones from India are Japan, Taiwan, Hong Kong, Belgium, USA, France, Spain, Germany, China and Italy.

Major Importers of Indian Stones



(Source: www.cdos-india.com)

Past Export Trends

India is amongst the leading exporter countries of stones in the world, being a close competitor to China and Italy who are the leaders. In million rupees, Indian stone exports amounted to 34 billion rupees in 2003-04, with granite alone accounting for 26 billion rupees. Sandstones are fast emerging as a leading export segment with an 11% share in exports.

STONE EXPORTS FROM INDIA

(Million Rupees)

Product	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Granite and Products thereof	10827	11388	9577	10130	16712	19540	20463	24606	26538
Marble and Products thereof	826	1035	1243	1111	1580	2362	2085	2292	1993
Slates	360	426	566	867	1101	1436	934	1391	1460
Sandstones & other stone products	832	1401	880	911	1401	1530	2664	3502	4096
TOTAL	12845	14250	12266	13019	20794	24868	26146	31791	34087

(Source: CAPEXIL)

Indian Stone Exports comprise mainly Granite Cut Blocks, Granite Slabs and Tiles. The share of marble, slate and sandstone are steadily increasing for the past few years.

The major importers of Indian stones are USA, China, Italy, Germany, United Kingdom, Belgium, Netherlands, Hongkong, Taiwan, Japan, Australia, Spain, Bangladesh, UAE, France etc.

DEMAND DRIVERS

The Marble & Granite products are extensively used in the household sector and at homes, and also for industrial applications. The marble and granite stone industry, whose fortunes depend on the construction industry, has been seeing a lot of activity recently. A consolidation of sorts is under way with the established players gearing up for a crest in the construction cycle. The segment is growing and the main reason is replacing of mosaic tiles as well as offering various options better than any other similar product.

a) Construction and housing boom

The softening interest rate regime and the real estate and construction boom have played key roles in increasing demand for marbles & granites. Apart from the retail segment, comprising primarily of residential housing, the demand has picked up from the institutional segment as well. The increased activity in retailing business along with the economic growth has propelled the institutional segment.

b) Increasing affordability

In the last few years, there has been a change in the income patterns of urban housing consumers consequently there has been sharp increase in real as well as disposable income. This has led to the increasing affordability of property.

c) Continued tax sops to housing

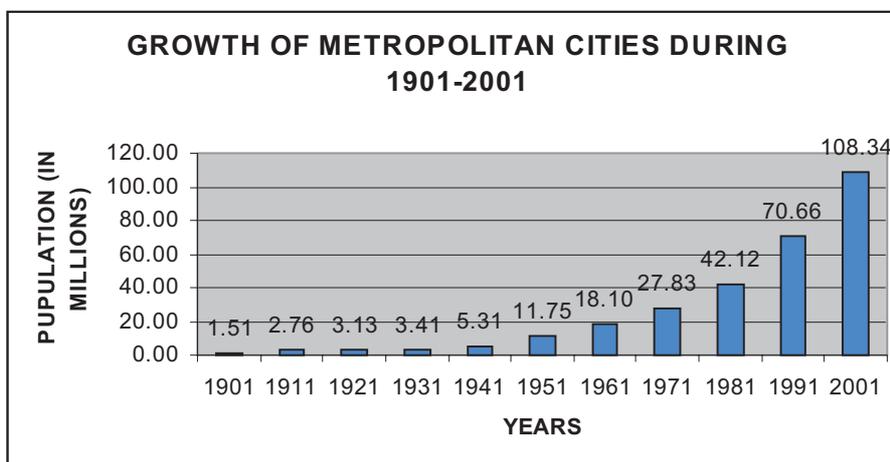
The extension of tax sops for housing loans, reduction in interest rates on housing loans, and rise in real income levels have increased the affordability of houses for the rising urban Indian middle-class population. Also, property costs have increased at 5.8% CAGR in the last five years, while the average annual income has increased by a sharp 11.7%. Therefore, the affordability (property cost/annual income) has improved.

d) Lower rates on housing finances

The domestic interest rates have remained easy for better part of the last three years at around 8%-9%. This makes home finance more attractive. Also, there is another added advantage of easily available housing finance. This is also led to investment in housing sector by high net worth individuals and high-income group.

e) Growth of urban agglomerations & towns

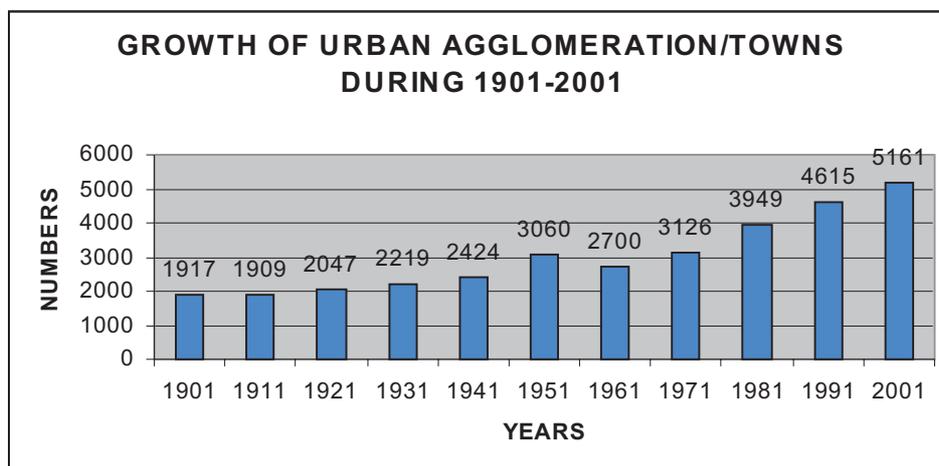
India has witnessed growth in the urban agglomerations & towns by size, class/category during last century. The total number of urban cities/town increased from 1917 in 1901 to 5161 in 2001. The following table shows the overall picture of the growth of urban agglomerations and town during last century.



(Source: Website of National Building Organisation viz. www.nbo.nic.in)

f) Growth of Metropolitan Population

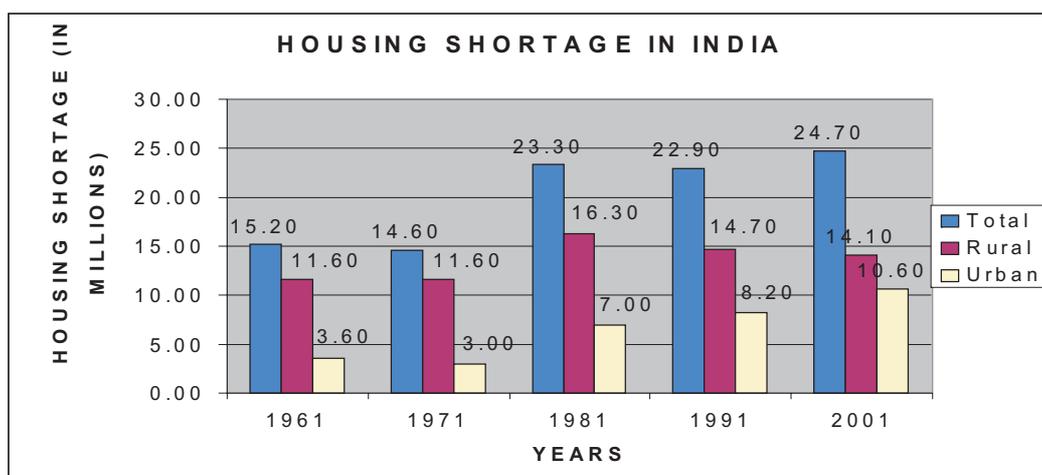
The metropolitan cities in India have grown from just one in 1901 to 35 in 2001 and 21th increase in the agglomeration/towns during the last century, the urban population has increased from 1.51 millions in 1901 to 108.34 millions in the year 2001 which accounts for 37.87% of total population of the Country. The following chart depicts the growth of urban population during the last century:



(Source: Website of National Building Organisation viz. www.nbo.nic.in)

g) Perpetual shortage in Housing Sector

There is perpetual shortage of housing in India. The sector is currently witnessing aggressive growth aided by the various factors like low interest rates, affordability, etc. As per National Building Organisation Report, as on 2001, there is shortage of 24.68 millions houses in India out of which 14.12 millions account for rural area and 10.56 millions houses in urban areas.



(Source: Website of National Building Organisation viz. www.nbo.nic.in)

h) NRI/PIO/OCB Investment in Housing and Real Estate Sector

The housing sector suffers from lack of funds. The available domestic funds leave a huge “resource gap” resulting in increase of housing shortage. To pass benefits of the ongoing economic reforms and liberalisation process to NRIs/PIOs/ OCBs, GoI introduced a scheme in 1993 for NRI investment in housing and real estate development covering the following areas:

- Development of serviced plots and construction of built-up residential premises.
- Construction of residential and commercial premises.
- Development of townships.
- City and regional level urban infrastructure facilities.
- Investment in manufacturing of building materials.
- Investment in participating ventures in the above mentioned areas.
- Investment in financial housing institutions.

i) Foreign Direct Investment in Housing

Complementing the thrust being given to housing, the Government permitted 100% Foreign Direct Investment (FDI) in housing through integrated township development. FDI is now allowed in townships, housing, built-up infrastructure and construction development projects, which could include *inter alia* housing and commercial premises. This has opened the sector to the professional expertise of international developers and facilitated introduction of new technology and inflow of capital.

FDI in townships, housing, built-up infrastructure and construction-development projects is allowed under the automatic route, subject to the conditions mentioned in Press Note. 2 of 2005 issued by the GoI. The investment has a minimum lock-in period of three years in respect of repatriation of profit in the original capital invested. Few such projects have already been approved and are under way. As the developers starts to exploit this route more intensely, some of these clauses may need amendments to suit the requirement of the sector. (Source: Press Note. 2 of 2005 and Report on Trend and Progress of Housing in India, June 2004 by National Housing Bank)

EXISTING BUSINESS**Overview**

The Company was incorporated as Private Limited Company in 1996 and has been engaged in the business of trading of building material, marble and granite since its incorporation. Later in 2001, the Company commissioned marble processing unit at Greater Noida with a licensed and installed capacity of 12,600 MT per annum, whereby the Company initiated the process of processing of imported as well as indigenous rough marble blocks into slabs/tiles. Presently, the Company imports rough marble blocks from Middle East, South East Asian Countries, Greece, Egypt, Spain, Turkey, Italy and sells it after processing in the domestic market to institutional as well as retail customers either directly or through wholesalers. The Company also imports semi processed marble slabs from above mentioned countries including Sri Lanka apart from sourcing slabs and blocks indigenously.

Among the natural stones, marble and granite are used for the flooring purposes in residential and commercial projects. Granite is mainly used in countries where the climate is cold and marble is used where the countries have hot climatic conditions and therefore, India has market for export of granite whereas marbles are used in India as well as have export potential.

India being third largest exporter of stones in the world with Indian stone exports amounting to Rs. 34 billion in 2003-04, with granite alone accounting for Rs 26 billion. (Source: CAPEXIL) The Company plans to tap this export market by acquiring its own granite quarries and setting up granite processing unit. It has already secured mining rights for two quarries for extracting granites at Rairangpur and Behrampur in Orissa measuring 6.90 acres and 38.14 acres respectively, the details of which are as under:

S. No.	Areas (Acres)	Hectare	Location	Lease Period	Type of Granite	Remarks	Valuations*
1	6.90	2.792	Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa	10 Years w.e.f June 25, 2004	Green	Quarry under operation and extraction of material commenced	Rs 12000 lakhs (@ Rs 15000 per cubic meter)
2	38.14	15.44	Village Palli, Behrampur District, Ganjam, Orissa	20 Years w.e.f. April 19, 2006	Blue	Quarry under operation and extraction of material commenced but dispatch of material is yet to commence.	Rs 33200 lakhs @ Rs 10,000 per cubic meter)

*Valuations as per Mines, Minerals and Water Wells Consultants (P) Ltd, Bhubneswar, Mining and Geological consultant (Reg. No. RQP/CAL/232/95/A). The valuer is recognized as qualified person to prepare Mining Plans by Regional Controller of Mines, Indian Bureau of Mines.

As per the provisions of the lease deeds of the aforementioned quarries, the Company has to pay royalty and surface rent to the Government of Orissa during the subsistence of the lease in respect of any minor mineral removed from the leased area as follows:

S. No.	Location	Royalty	Surface Rent
1	Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa	Rate of Rs. 900/- per cubic meter on anticipated production.	Rate of Rs. 100/- per hectare per annum
2	Village Palli, Behrampur District, Ganjam, Orissa	Rate of Rs. 900/- per cubic meter on anticipated production.	Rate of Rs. 100/- per hectare per annum

During the period ended December 15, 2006, the Company has paid Rs. 0.24 lakhs as royalty to the Government of Orissa for the lease of mines at Rairangpur Orissa

The Company presently has one set of mining equipment and as part of expansion, plans to further acquire three additional sets of mining equipments and set up a granite processing unit at Balasore, Orissa with annual capacity of 10,000 MT. The mining operation would involve the extraction of rough granite blocks from four different sites from a quarry. The Company has already initiated the extraction work from both quarries However the disptach of material from Behrampur mines is yet to commence. With both the quarries becoming fully operational, the Company would have mining capacity level of 86,400 MT per annum. The extracted rough granite blocks would either be processed at the proposed processing unit at Balasore, Orissa with proposed capacity of 10,000 MT p.a. or would be sold as rough granite blocks.

In addition, the Company has further applied with the Government of Orissa for grant of mining rights for ten decorative stone quarries, which are pending with the Government of Orissa at various stages of approval. The details of the applications made by the Company are as follows:

S.No.	Acres	Location/Address	Lease Period	Date Applied	Status
1	22.29	No.55, under PS Kodinga, Koraput, Orissa	10 years	January 14, 2004	Applied/pending allotment
2	7.50	No.53, under PS Kodinga, Koraput, Orissa	10 years	January 14, 2004	Applied/pending allotment
3	3.85	Jangia Village, Bada Dalima, Bahalda Block, Rairangpur, Mayrbhanj	10 years	July 4, 2003	Applied/pending allotment
4.	1.18	Vill. Bada Dalima, Bahalda Block, Rairangpur, Mayrbhanj	10 years	March 4, 2003	Applied/pending allotment
5.	8.80	Vill. Rheadkacha, The-Rairangpur, Distt. Mayurbhanj	10 years	March 4, 2003	Applied/pending allotment
6.	8.60	VillageHersaldhini, The-Bahalda, Mayrbhanj	10 years	December 18, 2002	Applied/pending allotment
7	7.6	Vill- Ghantisila, The-Udila, PS-Khunata, Distt:Balasore	10 years	March 28, 2006	Applied/pending allotment
8.	3.30	Vill-Dharam Dili, The-Balda Distt-Mayrbhanj	10 years	March 28, 2006	Applied/pending allotment
9.	3.025	Hill Blocks 89, Distt-Balasore	10 years	March 18, 2006	Applied/pending allotment
10	9.85	White-II, Ghantisila, Distt-Balasore	10 years	March 28, 2006	Applied/pending allotment

The Company is awaiting response from the concerned authorities with respect to acquiring the mining rights in the aforementioned quarries. The acquisition of mining rights is time consuming process involving a time span from two years to four years. Once the mining rights are granted, the lessee has to operate the same within six months failing which the mining rights may be forfeited.

Though, the Company has presently acquired mining rights for only two mines out of which one is operational and other being operationalized, the management of the Company is in the process of acquiring mining rights for over ten other quarries applied in the state of Orissa for which the Company is the first applicant.

Details of existing activities of the Company

1. Cutting, polishing and processing of imported and indigenous marble at processing unit at Greater Noida, Uttar Pradesh with annual capacity of 12,600 MT.
2. Processing of granite/decorative stones at Rairangpur and Balasore, Orissa units with cumulative annual capacity of 750 MT.
3. Mining at two quarries for extracting decorative stone including granite at Rairangpur and Behrampur in Orissa measuring 6.90 acres and 38.14 acres respectively.

The Company products are used in construction of residential / commercial buildings, hotels, hospitals, restaurants, etc. The Company is marketing its products throughout India through retail market outlets at Delhi, Kolkata and Chennai and through wholesalers.

Business Strategy

The Company's vision is to prove its existence in the competitive market as one of the major player in the marble and granite industry, by processing marble and granite products under one roof.

The Company's business strategy envisages the following:

- Setting up of marble processing units at different locations within India to get the benefit of reduction in transportation and material handling costs.
- To provide availability of Company's products to consumers at major locations within the country by setting up retail outlets and through wholesalers.
- To develop mining and processing of granite.
- To strengthen Company's presence in international market by exporting granites.

Existing Installed Capacity

Products	Particulars	2003-04	2004-05	2005-06	01-04-2006 to 15-12-2006
Marble Processing					
Greater Noida Unit	Licensed Capacity (MT)	12,600	12,600	12,600	12600
	Installed Capacity (per year)(MT)	12,600	12,600	12,600	12600
	Capacity Utilisation (per year)(MT)	7,299	6,893	13,295	11,189
	Capacity utilization (%)	60.000%	55.00%	105.50%	125%*
Granite Processing					
Rairangpur, Orissa Unit	Licensed Capacity (MT)	3,500	3,500	3,500	3,500
	Installed Capacity (per year)(MT)	650	650	650	650
	Capacity Utilisation (per year)(MT)	Nil	Nil	199	36.92
	Capacity utilization (%)	Nil	Nil	30.63%	8%*
Balasore, Orissa Unit	Licensed Capacity (MT)	400	400	400	400
	Installed Capacity (per year)(MT)	100	100	100	100
	Capacity Utilisation (per year)(MT)	Nil	Nil	Nil	Nil
	Capacity utilization (%)	Nil	Nil	Nil	Nil

*The present capacity utilization for the period April 1, 2006 to December 15, 2006 is on annualized basis.

Proposed Capacity (as per Company's estimate)

Products	Particulars	2006-07	2007-08	2008-09	2009-10
Marble Processing					
Greater Noida Unit	Installed Capacity (per year)(MT)	12600	25,200	25,200	25200
	Capacity Utilisation (per year)(MT)	14490	20160	21420	22680
	Capacity utilization (%)	115%	80%	85%	90%
Kolkatta Unit	Installed Capacity (per year)(MT)	NIL	12,600	12,600	12600
	Capacity Utilisation (per year)(MT)	NIL	7560	10,710	11340
	Capacity utilization (%)	NIL	60%	85%	90%
Bangalore Unit	Installed Capacity (per year)(MT)	NIL	12,600	12,600	12600
	Capacity Utilisation (per year)(MT)	NIL	7560	10,710	11340
	Capacity utilization (%)	NIL	60%	85%	90%
Granite Mining					
Rairangpur, Orissa Unit	Installed Capacity (per year)(MT)	650	86400	86,400	86400
	Capacity Utilisation (per year)(MT)	750	60480	69,120	73440
	Capacity utilization (%)	115%	70%	80%	85%
Granite Processing					
Balasore, Orissa Unit	Installed Capacity (per year)(MT)	100	10,000	10,000	10,000
	Capacity Utilisation (per year)(MT)	NIL	7000	8000	8500
	Capacity utilization (%)	NIL	70%	80%	85%

Existing Infrastructure**Details of existing units**

The existing processing units of the Company are located at Greater Noida, Uttar Pradesh and two sites in Orissa.

- (a) The processing unit at Greater Noida, Uttar Pradesh is located at D-3, Site-V, Surajpur Industrial Area, Greater Noida and having total area of 8150 sq. meters (87725.86 sq.ft.). The land has been taken on lease from Uttar Pradesh State Industrial Development Corporation vide lease deed dated June 26, 2001. The lease deed is valid for a period of 90 years with effect from January 11, 1999. In terms of the lease deed, the Company is required to pay rent of Rs. 2,000 per hectare per year during the first thirty years; Rs. 5,000 per hectare per year during the next thirty years and Rs. 10,000 per hectare per year during the last thirty years.

- (b) The first processing unit in Orissa is located at S-2/6 Industrial Estate, Asanbani, Rairanpur, Mayurbhanj, Orissa with total area of 7,875 sq.ft. The land has been taken on lease from Orissa Industrial Infrastructure Development Corporation (OIIDC) on August 9, 2005 and is valid till 2076. As per the terms of lease agreement, the Company is required to pay rent @ Rs. 18.00 per annum i.e one percentage of the premium of land towards ground rent and Rs. 14.00 per annum towards cess subject to the revision by concerned revenue authority. The above mentioned land was acquired by the Company from OIIDC for a total consideration of Rs. 16.51 lakhs including overdues.
- (c) The second processing unit in Orissa is located at Plot No. 4, Industrial Estate, Somnathpur, District Balasore, Orissa with total area of seven acres (3,04,920 sq.ft approx.). The Company has acquired the afore-said land, which was originally leased to M/s Grapco Granite Limited by Orissa Industrial Infrastructure Development Corporation, through the auction process of Debt Recovery Tribunal, Kolkatta vide Sale Deed dated December 31, 2003 the total consideration of Rs. 15.81 lakhs including overdues. Orissa Industrial Infrastructure Development Corporation has in-principally agreed to transfer the lease of the afore-said land in favour of the Company vide their letter dated September 21, 2005. However the lease deed is pending execution by Orissa Industrial Infrastructure Development Corporation.. The Company is now required to pay annual ground rent @ Rs. 3,010 per annum and Rs. 1,505 per annum towards land cess.

The above said properties are free from all encumbrances except for the equitable mortgage created in favour of bank who has extended loan facility in the normal course of business.

In addition, the Company has secured mining rights for two granite / decorative quarries in the state of Orissa, details of which are appearing on page no. 52 of this Red Herring Prospectus.

Plant and Machinery

The major plant and machinery required in processing of marble is block dressing machines which are used for edging and giving particular shape; block trolley for gang saw; gang saw machines which are used for cutting the marble blocks into slabs. Further for lifting the marble blocks, gantry cranes are used. The Company has one block dressing machine, two block trolley for gang saw, one gang saw machine, gang saw blade, gang saw trolley, one gantry crane, one stone working machine with rotatable trolley, one portic machine/circular saw machine and one auto-polisher machine. In addition, all the necessary electrical equipments including generator set with 380 KVA capacity has been installed at its existing location in Greater Noida, Uttar Pradesh.

Rairangpur factory has three polishing machines and two block cutters. The Balasore Unit has one cutting and one polishing machine, which are not being used at present. The mining quarry at Rairangpur has one hydraulic excavator; two wire saw machine, one mining machine, one hydraulic jack, one diesel compressor and two D.G.Set with 63 KVA capacities.

Raw Materials

The basic raw material for processing of marbles is rough marble blocks / slabs. As per the present guidelines of EXIM Policy which is effective from August 31, 2005, licenses for import of rough marble blocks will be given only to those units who have set up manufacturing / processing units and have made imports of these items in the preceding years when these items were under Special Import License (SIL) list. The total entitlement of licenses to be issued for import of marble blocks to all units put together is subject to a ceiling of 1.30 lakhs metric tones per licensing year. Further, the entitlement of individual eligible firm will be worked out on the basis of the turnover of each of the eligible firms in the preceding year.

The Company is eligible to import rough marble blocks, as per the prevailing EXIM Policy, to the extent of license granted by the Government of India on an yearly basis. The Company imports rough marble blocks under Import-Export Policy of Government of India from Middle East Countries, Greece, Egypt, Spain and Italy depending upon the colour and quality requirement of the customers. The Company has not entered into any firm arrangement with any of its raw material suppliers.

The Company also uses semi processed marble slabs for meeting its raw material requirements. Marble slabs are semi-processed rough marble blocks cut into different thicknesses, which further require processing viz. filling, cutting and polishing. During financial year 2005-06, the Company has used 5,269 MT of marble blocks and 1,35,792 sq. meter of marble slabs (imported as well as indigenous). The Company is at present directly importing semi processed marble slabs from Middle East Countries, Greece, Egypt, Spain and Italy. The Company is also procuring imported marble slabs from different traders in India indigenously. During financial year 2005-06, the Company has procured 2,90,692 sq.ft. (approximately 943 MT) of marble slabs and procured 12,28,781 sq.ft. from domestic traders.

The Company is now dependent more on indigenously sourced raw material viz. marble slabs in comparison to imported raw material. The consumption of imported raw material reduced from 86.24% to 38.15% and consumption of indigenous raw material increased from 13.76% to 61.85% during F.Y. 2004-05 to 2005-06 respectively. Further, during the period ended December 15, 2006, the consumption of indigenous raw material increased to 76.77% and that of imported raw material reduced to 23.23%. The Company is relying more on import of semi processed marble slabs, for which import license is not

required and available indigenously. However, import of semi processed marble slabs is subject to value cap of USD 2700 per cubic meter and the imports below this value cap are not permitted. The Company imports semi processed marble slabs in large quantities keeping in view the demand and quality, thus, the value cap for the same does not materially affect the cost of raw material of the Company.

The details of the top ten raw material suppliers are as under:

Sl. No.	Name of Raw Material Suppliers	Imported/Indigenous	Percentage of total raw material
1	J.N. Traders	Indigenous	27.87%
2	Suman Trading Company	Indigenous	27.56%
3	Narayan Enterprises	Indigenous	19.22%
4	Colombo Stones Industries P. Ltd	Imported	9.36%
5	Coral Trading Co	Imported	4.55%
6	Eredi Martinelli Marmie Granites	Imported	1.81%
7	Manh Trang Comp	Imported	1.67%
8	Iz Mermer San,Tie Ltd	Imported	1.30%
9	Jai Hind Marmo	Indigenous	0.82%
10	Ajanta Marbles	Indigenous	0.73%

Utilities

Power

Greater Noida: The Company has sanctioned load of 200 KVA from Noida Power Company Limited vide their sanction letter dated December 15, 2005. The total power requirement at the marble-processing unit at Greater Noida is 200 KVA, which is sourced mainly from DG Sets of 380 KVA installed at the premises.

Rairangpur, Orissa: The total power requirement at the granite processing unit at S 2/6 Industrial Estate,Asanbani, Rairangour, Orissa is 100 KVA. The Company has a sanctioned load of 52 kw from North Eastern Electricity Supply Company of Orissa Ltd, Division Rairangpur. The unit is not fully operational.

Mining Operations at Orissa: The power requirement of the Company's quarry at Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa is being sourced from two DG Sets of 63 KVA

Water

Greater Noida: The water consumption requirement for the unit is 10 KL per day and it is procured through borewell.

Rairangpur: The water consumption requirement for the unit is 4 KL per day and it is procured through borewell.

Manpower

The details of total manpower employed by the Company as on date are as under:

S. No.	Location	Skilled	Unskilled	Technical	Total
1	Chennai	4	6	0	10
2	Head Office/Corporate office at Delhi	13	0	0	13
3	Greater Noida	12	20	7	39
4	Kolkatta	10	0	0	10
5	Orissa	9	2	1	12
Total					84

The Company also engages contract labourers, which are hired from regular labour contractors who meet the requisite statutory requirements.

Effluent

1. Air Pollution:

There is no air pollution generated from the marble and granite processing since no chemical or gaseous elements are used in the processing. The only air pollution which is generated through the DG sets used for generation of power, is kept under control by increasing the stack height four meters above roof level. The Company has been granted consent under Air (Prevention and Control of Pollution) Act 1974 from Uttar Pradesh Pollution Control Board, Noida, which was valid till December

31, 2006 and the Company has applied for renewal of the consent for the calander year 2007 vide application dated December 25,2006.

2. Water Pollution:

Water is used as lubricant for cutting the marble blocks in the gangsaw machines and the water keeps on recycling. The material which comes under the blades of the machines gets converted into slurry and the same is separated from water through sedimentation plant, set up alongside the gangsaw machines. There is no effluent of water since it is 100% recycled. The Company has been granted consent under Water (Prevention and Control of Pollution) Act 1974 from Uttar Pradesh Pollution Control Board, Noida, which was valid till December 31, 2006 and the Company has applied for renewal of the consent for the calander year 2007 vide application dated December 25, 2006.

3. Solid Waste:

Marble Slurry is generated through the processing of marble and granite. The slurry is used for land filling either in the factory premise or suitable designated places.

Manufacturing Processes

The processing of marbles / granite comprises of the following major steps:

- a) **Raw Material Sourcing**
The principal raw materials used are rectangular size rough bocks, extracted from the marble / granite quarries. These blocks are transported to factory by using trucks / trailers.
- b) **Lifting the marble / granite blocks**
The rough blocks are lifted through the gantry trains and then put over the dressing machines, if blocks are not rectangular or completely dressed.
- c) **Edging and shaping blocks**
The dressing machines called the mono block machines dresses the rough blocks by cutting the blocks into a definite shape and then fined suitably. The blocks are then reinforced on the block saw transfer trolley by glass planks to withstand the sawing pressures.
- d) **Cutting blocks into slabs/tiles**
The loaded trolley is then put under the "gangsaw" machine. Multi bladed frames fitted in the machine cut the marble vertically at high pressure and friction. Here diamond coated segments acts as the cutting agent and they slice the block at desired thickness. The sedimentation tank recycles the slurry mixed water and supplies crystal clear water into the gangsaw machines. It enhances the functioning of machine leading more production and high tool life.
- e) **Resin, fibring and polishing**
After the blocks are cut into slabs, resin and fibring is done on these slabs to hold the slabs against cracks etc.. Resin is applied for colour matching, hardening, catalyst and colouring. Fibring is done on the backside of the slab for support. The surfaces of these slices (sawn slabs) are further polished under the multi head automatic polishing machines. The slabs are finally cut on their edges with the edge cutting machine as per the requirement of the customer.
- f) **Quality checks, Storing and Dispatch**
The refined slabs are then checked for quality. The slabs are stored and dispatched as per the requirement of the customers.

Existing Marketing set-up

The Company sells its product in the domestic markets from its marketing/ selling outlets/offices at New Delhi, Greater Noida, Chennai and Kolkata and through wholesalers. The Company has a separate team for servicing institutional clients of various construction groups and builders to whom Company's materials are being supplied directly. The Company also services its retail clients either through its own outlets at Chennai and Kolkatta or through wholesalers.

Competition

The Company is presently engaged in importing marbles, processing it and selling it in the domestic markets. In this segment it faces competition from organized players like, Dee Pearls (India) Private Limited, Asia-Pacific Marbles (Silvasa) and Nitco

Tiles. The Company proposes to meet this competition by setting up processing units at Kolkatta and Banglore apart from increasing the existing capacity at the Greater Noida unit to meet the increasing demand of these regions and reduce the transportation and handling cost.

The Company is also engaged in trading of granite and now intends to export as well as sell domestically processed granite extracted from its own quarries. In this sector, it will face competition from countries like Italy, Spain and China in the overseas market. The Company has advantage of having its own granite quarries, which would reduce the cost of its products.

Export Obligation

The Company has already imported one Volvo Excavator in the year 2004 under export promotion capital goods (EPCG) for which the Company has export obligation of Rs.114.40 lakhs which is required to be fulfilled by 2012, details of which is given below:

(Amount in Lakhs)

Sr. No	EPCG License Number	Date	Details of Capital Good Purchased	Duty Saved (Rs)	Nature of Export required	Amount of Export Obligation (USD)	Amount of Export Obligation (Rs)	Period within which the obligation has to be fulfilled
1	0530136505	July 5, 2004	Volvo Excavator for Granite Mines	14.30	Marbles, Granites Blocks and Slabs	2.39	114.40	8 years

Further, the Company is planning to import plant & machinery and equipments under EPCG scheme which would result in additional export obligation of Rs. 1938.72 lakhs. The export obligations will have to be fulfilled within a period of eight years.

As per the existing Export – Import Policy of the Government of India, if a company is in default or is not able to fulfill its export obligations, then the company would be liable to pay the following:

- In the event the export obligation is fulfilled in value but there is a shortfall in quantity then -
 - customs duty on the unutilized value of the imported material along with an interest at the rate of 15% per annum; and
 - an amount equivalent to 3 % of the CIF value of the unutilized imported material.
- If the export obligation is fulfilled in terms of quantity but there is a shortfall in terms of value, then no penalty shall be imposed if the minimum value addition prescribed in the Export – Import Policy has been achieved. However, if it has not been achieved then a penalty is imposed. The amount is calculated with reference to the actual quantity of exports and FOB value of realization with reference to pro-rata quantity of imports and CIF value.
- If the export obligation is not fulfilled both in terms of quantity and value, the company shall pay penalty as prescribed in (1) and (2) above.

Achievements and Recognitions:

The Company has achieved the following credentials:

- ISO 9001:2000 Certification vide certificate number I/QSC-1099 from Kvalitet Veritas Quality Assurance in the year 2005 for Import, stocking, processing and supplying rough / finish marble, granite and other natural stones. The certificate is valid upto December 12, 2008

Details of existing Property

The brief details of Company's sales-cum-warehouses, processing units and offices are as under:

S.No.	Location of property	Nature of Title/	Details of lease	Total Area
Marble/ Granite Processing Unit				
A.	D-3, Site-V, Surajpur Industrial Area, Greater Noida, Uttar Pradesh	Lease	Date of lease – 26 June, 2001 Period of lease – 90 years w.e.f January 11,1999 Lessor - U.P. State Industrial Development Corporation	8160 sq. mtrs
B.	S-2/6, Industrial Estate, Asanbani, Rairanpur, Mayurbhanj, Orissa	Lease	Date of lease – August 9, 2005 Period of lease – Upto 2076 Lessor - Orissa Industrial Infrastructure Development Corporation	7875 sq. ft
C.	Plot No. 4, Industrial Estate, Somnathpur, District Balasore, Orissa	Lease Deed Pending Execution	Date of Sale Deed – December 31, 2003 Seller - Recovery Officer, Debt Recovery Tribunal, Kolkatta (Auction Process) Lessee: Orissa Industrial Infrastructure Development Corporation (Lease Deed Pending Execution)	7 Acres (3,04,920 sq.ft)
Sales Offices-cum-warehouses				
A.	391, Laksharhat, South Khalpara, Kolkata-700039	Free hold	Date of Sale Deed – September 13, 2004 Seller – Mr. Uddab Chandra Sarkar	0.33 Acres (7,200 sq.ft. approx)
B.	96/102, Kaliyman Koli Street, Near M G Swamy Towers, Virugumbakkam, Chennai	Lease	Date of lease – July 1, 2005 Period of lease –3 years Lessor - Mr.Munnuswami	14,200 sq. ft.
C.	Bhati Mines Road, Opp. Executive Club, Village-Chandanhaula, Near Chatarpur, New Delhi	Lease	Date of lease – January 1, 2006 Period of lease –3 years Lessor - Mr. Raj Singh Tanwar	700 Sq. Yards (6300 sq.ft.)
D.	391, Laksharhat, Soutj Khalpara, Kolkatta-700039	Freehold	Date of Sale Deed- June 23, 2006 Seller- Mr. Kamal Das	4500 Sq. Ft.
Corporate Office				
A.	26/25 and 26/26, 2nd Floor, Bazaar Marg, Old Rajinder Nagar, New Delhi	Lease	Date of lease – January 1, 2006 Period of lease –5 years Lessor - Ms. Savita Punia	1340 sq.ft.
Registered Office				
A.	708, 7th Floor, Padma Tower-I, 5 Rajindra Place, New Delhi-110008.	Lease	Date of lease – April 1, 2006 Period of lease –11 months Lessor - Ms. Lalita Khanna	648 sq.ft.

Purchase of Property

Except as stated in section titled “Objects of the Issue” in this Red Herring Prospectus, on page 20 there is no property which the Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Red Herring Prospectus with SEBI, other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- in respect of which the purchase money is not material.

Except as stated in the section titled “Related Party Transactions” on page 79 of this Red Herring Prospectus, the Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

Insurance

We have taken the following insurance policies the details of which are as under:

A. Fire and Special Peril

S.No	Insurer	Policy No.	Description	Sum Insured (Rs. In Lakhs)	Validity Period
1.	FFCO TOKIO	CN-41115801	Building, Plant and Machinery at Greater Noida unit	204.01	August 23, 2007

B. Motor Vehicle Insurance

S.No	Insurer	Policy No.	Description	Sum Insured (Rs. In Lakhs)	Validity Period
1.	IFFCO-TOKIO	32864019	Machinery (Hydraulic Excavator) at Factory and Mines at Rairangpur, Orissa	31.50	August 2, 2007

C. Contractors plant and machinery Insurance

S.No	Insurer	Policy No.	Description	Sum Insured (Rs. In Lakhs)	Validity Period
1.	The New India Assurance Company Limited	354001/44/05/07/30000003	Machinery at Mines at Rairangpur, Orissa	16.10	January 18, 2007

Keyman Insurance Policy

S.No	Insurer	Policy No.	Description	Sum Insured (Rs. In Lakhs)	Premium (p.a) (Rs. In Lakhs)	Validity Period
1.	Life Insurance Corporation of India	122297324	Life Insurance for Mr. Rajesh Kumar Punia	200.00	14.63	February, 2028

Intellectual Property Rights

The Company has acquired rights for using the trademark "Oriental" from its group company M/s Oriental Tiles Limited through an exclusive, non-transferable, royalty free Trade Mark License Agreement in connection with marble and granite products throughout the territory dated April 1, 2006 for a lump sum consideration of Rs. 20 Lakhs payable in the year 2006-07. Oriental Tiles Limited has been allotted with trademark no. 461460 dated November 11, 2005 for a period of ten years for using the trade mark "Oriental" within India in connection with the building material (non metallic), non-metallic rigid pipes for building, asphalt pitch and bitumen non metallic transportable buildings, monuments not of metal.

Total Indebtedness:

The Company is availing term loan and working capital facilities from the Jammu & Kashmir Bank Limited and State Bank of Bikaner & Jaipur. The details of existing facilities are as follows:

Facilities from The Jammu & Kashmir Bank Limited:

The Jammu & Kashmir Bank Limited had sanctioned term loan to the Company vide letter No. JKB/ CP/Adv./06-504 dated May 4, 2006. These limits were enhanced by the bank vide their letter no. JKB/ADV./CP/06/1023 dated October 23, 2006. The status of the facilities as availed by the Company from Jammu & Kashmir Bank Limited is as follows:

Facility	Amount Sanctioned (Rs. in lakhs)	Amount Outstanding (Rs. in lakhs)	Rate of Interest	Repayment	Security
Cash Credit*	1185.00	1167.00	1.50% above PLR		<ul style="list-style-type: none"> Hypothecation of all kinds of stocks (raw materials, stock-in-progress, finished goods) of trade comprising of marble blocks, slabs, (raw materials, stock-in-progress, finished goods) tiles, gypsum, board etc. lying in the godown, sales depot or elsewhere in the country in the name of the Company. Hypothecation of book debts
Term Loan**	720.00	-	0.50% above PLR presently 11.50%	24 equal quarterly instalments of Rs. 30 Lakhs each commencing September, 2006.	Primary Security***: <ul style="list-style-type: none"> Extension of charge on all the securities already held/to be held by the bank in case of the term loan 1st and 2nd (already sanctioned by the bank but not disbursed/availed yet. Agreement to charge all the existing / proposed fixed assets to be created out of bank funds/IPO funds/internal accruals of the Company as given in the project/expansion programme at Greater Noida, Delhi, Chennai, Orissa, Bangalore and Kolkata. Hypothecation of all plant and machinery both existing and to be created out of bank funds/IPO funds/ internal accruals of the Company as given in the expansion programme at Greater Noida, Delhi, Chennai, Orissa, Bangalore and Kolkata
Term Loan	115.70	55.40	11.50%	15 quarterly instalments	First charge on block of fixed assets of the Company at Greater Noida factory and equitable mortgage of immovable properties at D-655, 655 Punia, Malviya Nagar, Jaipur, 12/10 and 26/25, Old Rajinder Nagar, New Delhi, 391, Naskarhat, Tijala, Kolkata-700039 and third party guarantee of Mr. Rakesh Punia and Mr. Ramesh Punia and Personal guarantee of Mr. Rajesh Punia and Ms. Savita Punia.
Foreign Letter of Credit (FLC)	500.00	-	—		Same as above
Bank Guarantee	100.00	-			Same as above

* Outstanding amount as on December 15, 2006 is Rs. 1167 lakhs as against total cash credit facility of Rs. 1185 lakhs as on December 15, 2006.

**These bank facilities are sanctioned for the expansion project and not yet availed.

***Collateral Security

In addition to primary security, the Company has also given following collateral security to its banker for availing various credit facilities in the form of first exclusive charge on all the fixed assets including equitable mortgage on the following land and buildings:

Sl. No.	Property owned by	Location
1.	Oriental Trimex Limited	D-3, Site V, Surajpur Industrial Area, Greater Noida. Land and Building valued at Rs. 569.52 Lakhs along with first exclusive charge of plant and machinery valued at Rs. 184.99 Lakhs.
2.	Ms. Savita Punia	Equitable mortgage of residential flat at 12/10, 3rd Floor, Old Rajindra Nagar, New Delhi valued at Rs 16.17 Lakhs
3.	Ms. Savita Punia	Equitable mortgage of Commercial Building at 26/26, 2nd Floor, Old Rajindra Nagar, New Delhi valued at Rs 24.59 Lakhs.
4.	Ms. Savita Punia	Equitable mortgage of Commercial flat measuring 567 sq. feet. at 26/25 Old Rajindra Nagar, New Delhi valued at Rs 19.50 Lakhs along with the first exclusive charge on unencumbered plant and machinery.
5.	Oriental Trimex Limited and Mr. Rajesh Punia	Equitable mortgage of 391-392 including land measuring 23.75 Cottahs in the name of Oriental Trimex Limited and 7.50 Cottahs in the of Mr. Rajesh Punia valued at Rs. 309.11 Lakhs.
6.	Oriental Trimex Limited	Equitable mortgage of Factory land at Plot No. 1/P, Khasra No. 62/2, Mouza-Asanbani, Rairangpur, Orissa along with super structure constructed/to be constructed there-upon valued at Rs. 9.32 Lakhs.
7.	Oriental Trimex Limited	Equitable mortgage of 7 Acres land at Somnathpur, IDCO Industrial Estate, Balasore, Orissa valued at Rs. 54.83 Lakhs.

Facilities from State Bank of Bikaner & Jaipur

Facility	Amount (Rs. in lakhs)	Rate of Interest	Repayment	Security
Cash Credit*	410.00	0.25% below PLR of the Bank	—	<ul style="list-style-type: none"> • Pari-passu charge alongwith "The Jammu & Kashmir Bank Limited on stocks and bookdebts of the Company" • Collateral security with pari-passu charge alongwith The Jammu & Kashmir Bank Limited
Letter of Credit (LC)	200.00	—do—	—	Same as above
Term Loan**	25.00	1.25% above PLR of the bank	Six quarterly instalments of Rs.4 lakhs each and last instalment of Rs.5 lakhs	<ul style="list-style-type: none"> • 1st pari-passu charge on fixed assets of the company • 2nd pari-passu charge on company's current assets.

Note: The limits sanctioned by State Bank of Bikaner & Jaipur have not been availed by the Company as on December 15, 2006 and the pari-passu charge in favour of the bank is yet to be created.

Vehicle & Equipment Loans

In addition to term loan and working capital facilities, the Company is availing following facilities:

Lender	Purpose of Loan	Amount of Loan (Rs. in lakhs)	Outstanding balance as on December 15, 2006 (Rs. in lakhs)
Vehicle Loans			
ICICI Bank Limited	Vehicles	13.30	9.95
HDFC Bank Limited	Vehicles	13.52	10.73
Total		26.82	20.68
Equipment Loan			
HDFC Bank Limited	Volvo Excavator & Compressor	40.66	13.44
ICICI Bank Limited	Generator	4.10	3.19
Total		44.76	16.63

The above loans are secured against hypothecation of respective assets.

Business Loans

The Company has taken following unsecured loans:

Lending Bank	Amount of Loan (Rs. in lakhs)	Rate of Interest (%)	Outstanding balance as on December 15, 2006 (Rs. in lakhs)
HDFC Bank	15.00	14.00	11.06
ICICI Bank	10.00	17.00	3.61
ICICI Bank	6.80	14.00	4.55
IDBI Bank	10.00	14.00	7.63
Standard Chartered Bank	20.00	17.00	11.41
Kotak Mahindra Bank	19.30	17.00	17.94
Total	81.10		56.19

REGULATIONS AND POLICIES IN INDIA

Policy for Import of Marble

As per the EXIM Policy the import of rough marble blocks/slabs is restricted to and is subject to import licensing procedures. As per the policy in force until August 30, 2005, licenses for import of marble were issued only to following categories:-

- 1) Firms who have set up manufacturing / processing units in the country and have made imports of these items in the preceding years when these items were under Special Import License (SIL) list.
- 2) 4/5 star hotels on the basis of recommendation of Ministry of Tourism
- 3) Temples / trusts of international repute on the basis of recommendation of Ministry of Home Affairs.

In the case of Firms referred to (1) above who were engaged in the manufacturing / processing of marble were given licenses subject to the limit of 50% of the average CIF value of imports made by them during the years when this item was under SIL. In other words, those firms which had imported significant quantities of marble in the relevant period were eligible for higher value of licenses.

The guidelines / policy for import of rough Marble Blocks / Slabs have been modified from August 31, 2005. As per the revised guidelines, licenses for import of marble will be given only to those units who have set up manufacturing / processing units and have made imports of these items in the preceding years when these items were under SIL list. The total entitlement of licenses to be issued for import of marble blocks to all units put together is now subject to a ceiling of 1.30 Lakhs MT per licensing year. The entitlement of individual eligible firm will be worked out on the basis of the turnover of each of the eligible firms in the preceding year.

The major changes with regard to the new policy are as follows:-

- 1) 4/5 star hotels, temples / trusts of international repute will now no longer be allowed to import marble blocks /slabs directly.
- 2) Import of marble blocks can in future be made only by marble processing units.
- 3) The eligibility for issue of import licenses to eligible firms will be on the basis of the turnover in the preceding year as against on the basis of imports made by the parties in the earlier years.

The above policy will be beneficial to the players in the organized sector. Hotels / temples in future will now have to import marble only through firms engaged in processing of marble.

The licenses are further subject to the following floor price:

- i) For crude or roughly trimmed marble – US\$ 300 per Metric Tonne (MT)
- ii) For rough marble blocks – US\$ 300 per Metric Tonne (MT); and
- iii) For Slabs – US\$ 450 per Metric Tonne (MT)

However, import of marble slabs other than rough marble slabs does not require a licence under EXIM policy but there is a value cap of USD 2700 per cubic meter as minimum CIF value for imports and attracts an aggregate duty of 36.736%.

Existing duty structure:

Custom Duty -The basic duty on marble blocks is 12.50%, ACD is 4% and cess is 2% resulting total effective duty is 17.26%.
The CVD on marble blocks is Nil. Though slabs attract additional duty as CVD of 16%.

Excise Duty - Excise Duty at the rate Rs. 30 per square meter. An education cess of 2 % is required to be paid over and above the excise duty

Mining Legislation

Management of mineral resources in the country is done both by the Central Government and the State Governments in terms of Entry 54 of the Union List (List I) and Entry 23 of the State List (List II) of the Seventh Schedule of the Constitution of India.

The Ministry of Mines, at the Central Government level, is responsible for survey and exploration of all minerals, (other than natural gas and petroleum) for mining and metallurgy of non-ferrous metals like aluminium, copper, zinc, lead, gold, nickel etc. and for administration of the Mines and Minerals (Development and Regulation) Act, 1957 in respect of all mines and minerals other than coal and lignite.

The Mines and Minerals (Regulation and Development) Act, 1957 (MMDR Act) lays down the legal framework for the regulation of mines and development of all minerals other than petroleum and natural gas. The basic objective of the MMDR Act is the regulation of mines and the development of minerals. The Mines Act, 1952 along with Mines Rules, 1955 regulates the mining operations, including the health and safety of the workers working in the mines. The relevant rules in force under the MMDR Act, are the Mineral Concession Rules, 1960, and the Mineral Conservation and Development Rules, 1988.

The decorative stones like marble and granites are covered under minor minerals which come under the purview of the State Governments. The respective State Governments have for this purpose formulated the Minor Mineral Concession Rules.

The Central Government has framed the Granite Conservation and Development Rules, 1999 and Marble Development and Conservation Rules, 2002 for conservation and systematic development of and scientific mining to conserve the marble and granite resources and prescribe a uniform framework with regard to systematic and scientific exploitation of granite throughout the country.

Other Legislations applicable to the Company

Labour Legislations

Employees' Provident Funds Miscellaneous Provisions Act, 1952 ("EPF Act")

The EPF Act applies to all factories and such other establishments employing 20 (twenty) or more employees whose pay does not exceed Rs. 6500/- per month (Rupees Six Thousand Five Hundred Only).

All establishments to which the EPF Act applies are required to either constitute their own provident fund scheme or subscribe to the statutory employees provident fund scheme managed by the Commissioner of Provident Fund in the State.

The Company is registered under the EPF Act in respect of its Greater Noida Factory.

Contract Labour (Regulation and Abolition) Act, 1970

The Company is required to comply with the provisions of Contract Labour Act, 1970. In terms of section 7(2) of the Contract Labour Act, all persons intending to employ 20 or more contract labourers, are required to obtain registration with the designated authority.

The Company takes the services of contract labour for its Greater Noida Factory and is accordingly registered with the appropriate authority.

Employee State Insurance Act, 1948 ("ESI Act")

ESI Act applies to every factory using power in the first instance, and to every establishment notified by the appropriate government, where 10 (Ten) or more persons having wages/ salaries of less than Rs. 7,500/- (Rupees Seven Thousand Five Hundred) per month are employed and/or to a factory / establishment without using power where 20 (Twenty) or more persons are employed..

The Company is registered under the ESI Act in respect of its Greater Noida Factory.

Gratuity Act, 1972

The Gratuity Act 1972 provides for the payment of a lump sum amount ("Gratuity") as a post-employment benefit as a measure of social security, to an employee, at the time of his retirement/ superannuation/leaving the service after completing five years. The Gratuity Act seeks to provide benefits up to a maximum of Rs. 3,50,000/- to the eligible employee.. The Gratuity Act applies to all employees alike. Under the provisions of the Payment of Gratuity Act, 1972 every employer, other than an employer or an establishment belonging to, or under the control of, the GOI or a State Government, shall, unless exempted, obtain an insurance for his liability for payment towards gratuity from Life Insurance Corporation of India (LIC of India) or any other prescribed insurer.

The Company has not procured any policy towards the gratuity fund, however it has made provisions for payment of gratuity in its books of accounts.

Factories Act 1948

The Factories Act covers all workers employed in the factory premises or precincts thereof, directly or by through any agency including a contractor wherein 10 or more workers are employed on any day of the preceding 12 months and a manufacturing process is carried on with the aid of the power; or (ii) wherein 20 or more workers are employed on any day of the preceding 12 months and a manufacturing process is carried on without the aid of the power.

The Company is registered under the Factories Act in respect of its Greater Noida, factory.

West Bengal Shops and Establishment Act, 1963

Under the West Bengal Shops and Establishment Act 1963 every employer shall apply for registration with the registering authority in such form together with such fee as prescribed. The registering authority on being satisfied about the correctness of the particulars, shall register the establishment in such manner as may be prescribed and issue a certificate of registration. The Company is registered under the said Act for its warehouse cum showroom.

Tamil Nadu Shops and Establishments Act, 1947

The Company is required to obtain registration under the Tamil Nadu Shops and Establishments Act 1947 for registering itself

in respect of its showroom cum warehouse situated in Chennai and accordingly it has filed an application for the same.

Environmental Legislations

Water (Prevention and Control of Pollution) Act 1974

The Company is required to obtain consent under the Water (Prevention and Control of Pollution) Act 1974 for discharge of sewage and trade effluent.

The Company has been granted consent under Section 25/26 of the Water (Prevention and Control of Pollution) Act 1974 for discharge of effluent in respect of its Greater Noida Factory by the Uttar Pradesh Pollution Control Board.

Air (Prevention and Control of Pollution) Act 1981

The Company is required to obtain consent under the Air (Prevention and Control of Pollution) Act 1981 for establishing and operating industrial plant.

The Company has been granted consent under Section 21/22 of the Air (Prevention and Control of Pollution) Act 1981 for discharge of effluent in respect of its Greater Noida Factory by the Uttar Pradesh Pollution Control Board.

Indirect Tax Legislations

Customs Act 1962

Under the Customs Act 1962, the Company is required to pay duty on importation marbles. The basic custom duty on marble blocks is 12.50%. The additional custom duty is 4% and education cess is 2%. Therefore the resulting total effective duty is 17.26%. The CVD on marble blocks is Nil. Though marble slabs attract additional duty as counter veiling duty of 30/ per sq feet.

Central Excise Act, 1944

The Company is manufacturing excisable goods and accordingly it is registered under the Central Excise Act, 1944. The Company is required to pay excise duty on manufacturing of marbles at the rate Rs. 30 per square meter. An education cess of 2 % is required to be paid over and above the excise duty.

Central Sales Tax Act, 1956/Value Added Tax/State Sales Tax Acts

The Company is required to obtain registration under the respective Central and State Sales Tax Acts and Value Added Tax Acts, in respect of its place of business and has accordingly obtained the registrations under the said Acts.

Service Tax registration

The Company is also registered under the Finance Act for payment of service tax on account of providing the business auxiliary services.

HISTORY AND CERTAIN CORPORATE MATTERS

Oriental Trimex Limited, promoted by Mr. Rajesh Punia and Ms. Savita Punia, was incorporated as Private Limited Company in 1996 and has been engaged in the business of trading of building material, marble and granite since its incorporation. Later in 2001, the Company commissioned marble processing unit at Greater Noida with a licensed and installed capacity of 12,600 MT per annum whereby the Company initiated the process of processing of imported as well as indigenous rough marble blocks into slabs/tiles. The Company further acquired small granite processing unit at Rairangpur, Orissa with a capacity of 650 MT. Presently, the Company is sourcing its raw material requirements through imports and indigenous sources. The Company is importing rough marble blocks for meeting its raw material requirement from Middle East, South East Asian Countries, Greece, Egypt, Spain, Turkey and Italy and sells its after processing in the domestic market to institutional as well as retail customers either directly or through wholesalers. The Company also imports semi processed marble slabs for raw material requirement from these countries including Sri Lanka apart from sourcing marble slabs and blocks indigenously.

In the year 2004, the Company secured mining lease at Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa over 6.90 acres under Orissa Minor Minerals Concession Rules 2004 for a period of 10 years. Further, in the year 2006, another mining lease at Village Palli, Chikiti Tehsil, Ganjam District, Orissa over 38.14 acres was acquired under Orissa Minor Minerals Concession Rules 2004 for a period of 20 years.

Milestones achieved by the Company

Year	Milestones
1996	Incorporated as Private Limited Company for trading in building materials mainly marble, granite and tiles
2001	Change of status by conversion into Public Limited Company
2001	Commissioning of marble processing unit at Greater Noida with installed capacity of 12,600 MT
2001	Opening of showroom / retail outlet at Chennai
2001	Awarded as "Shreshtha Vyapari" for the year 2000-2001 by the Sales Tax Authorities, Delhi for regular compliance and on the basis of deposit of sales tax.
2001	Awarded KSA 9001-ISO 9001 QMS Certification from KMAQ-Korea for quality management system.
2003	Acquisition of 7 acres of land at Balasore, Orissa
2004	Grant of mining lease at Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa over 6.90 acres under Orissa Minor Minerals Concession Rules 2004 for a period of 10 years
2005	Acquisition of a small granite processing unit at Rairangpur, Orissa with an annual installed capacity of 650 MT.
2005	Opening of showroom / retail outlet at Kolkatta
2005	ISO 9001:2000 Certification from Kvalitet Veritas Quality Assurance for import, stocking, processing and supplying rough / finish marble, granite and other natural stones.
2006	Grant of mining lease at Village Palli, Chikiti Tehsil, Ganjam District, Orissa over 38.14 acres under Orissa Minor Minerals Concession Rules 2004 for a period of 20 years.

Main objects of the Company

The main objects of the Company as set out in the Memorandum and Articles of Association of the Company are as follows:

1. To carry on the business as buyers, sellers, installers, fitters, importers, exporters, distributors, agents, brokers, stockists, commission agents and dealers of all kinds of marbles, granites, ceramic products, tiles, pipes, paving, lining, roofing material, sinks, bathroom and kitchen fixtures and fittings and all kinds of prefabricated constructions materials, frames, slabs and tiles.
2. To fabricate, import, export and otherwise deal in all types of garments, carpets, linens, handicrafts, handlooms and all other articles of silk, cotton, woolen and worsted materials and fabrics.
3. To carry on the business of mine owners, manufacturers, processors, job worker, importers and exporters, traders and sellers of Marbles and Granite and in particular china clay, ball clay, quartz, felsper, fire clay gypsum, bauxite, kyanite, stalite, bentonite silliminate, dolomite, magnetic, calcite, lime stone, chrome, zirconium, graphite, manganese, redoxide yellow ochere, kisselghure or other associate mineral and chemicals, needed for manufacturing, producing and dealing in all ceramic products particularly pottery products and refractory products such as fire bricks, silica refractories, insulation refractories, magnesite refractories, fire cement and mortars, bricks, tiles, sewer pipes, drain pipes, lime cement, artificial stones, glaes and enamel products and by products thereof.

The Main objects clause of the Memorandum and Association of the Company enables the Company to undertake the activities for which the funds are being raised for the present issue and also the activity, which the Company has been carrying till date.

Changes in the Memorandum of Association

Since incorporation of our Company, the following changes have been made in the Memorandum of Association:

Amendment	Date of Amendment
Increase in Authorised Capital to Rs. 20.00 lakhs	September 16, 1996
Increase in Authorised Capital to Rs. 40.00 lakhs	February 8, 1999
Increase in Authorised Capital to Rs. 100.00 lakhs	September 25, 1999
Change in Status as the name changes to Public Limited	February 6, 2001
Increase in Authorised Capital to Rs. 150.00 lakhs	March 7, 2001
Increase in Authorised Capital to Rs.175.00 lakhs	July 11, 2001
Addition of new object clause	February 15, 2003
Increase in Authorised Capital to Rs. 225.00 lakhs	March 23, 2005
Increase in Authorised Capital to Rs. 300.00 lakhs	August 22, 2005
Increase in Authorised Capital to Rs. 1000.00 lakhs	November 7, 2005
Increase in Authorised Capital to Rs. 1600.00 lakhs	May 22, 2006

Subsidiaries of the Company

The Company does not have any subsidiary.

Strategic Partners

At present, the Company does not have any strategic partners.

Financial Partners

At present, the Company does not have any financial partners.

Shareholders Agreements

The Company has not entered into any shareholders agreement.

MANAGEMENT

Board of Directors

As per the Articles of Association of the Company, the Company must have a minimum of three and maximum of twelve Directors. At present, the Company has six Directors. Mr. Rajesh Punia, Managing Director manages the day-to-day affairs of the Company.

The following table sets forth current details regarding Board of Directors of the Company:

Name, Designation, Father's Name, Address, Occupation	Age	Date of Appointment and Term	Other Directorships
Mr. Rajesh Punia Managing Director Executive and Non- Independent S/o Shri Shishupal Singh Punia R/o 12/10, Old Rajinder Nagar, New Delhi-110060 Business	45 Years	Initially appointed as Director on April 22, 1996 and further appointed as Managing Director w.e.f January 1, 2006 for a period of 3 years	1. Oriental Air and Ship Services Limited 2. Oriental (Buildmat) Exports Private Limited 3. Oriental Tiles Limited 4. Colombo Stone Industries Private Limited 5. Deepali Granites Private Limited
Mrs. Savita Punia Executive and Non- Independent W/o Mr. Rajesh Punia R/o 12/10, Old Rajinder Nagar, New Delhi-110060 Business	40 Years	Initially appointed as Director on April 22, 1996 and further appointed as Whole time Director w.e.f May 22, 2006 for a period of 3 years	1. Oriental (Buildmat) Exports Private Limited 2. Oriental Tiles Limited 3. Colombo Stone Industries Private Limited 4. Deepali Granites Private Limited
Mr. Sunil Kumar Non Executive and Non-Independent S/o Mr. Shiv Narayan R/o 12/10, Old Rajinder Nagar, New Delhi-110060 Business	29 Years	June 21, 2000	1. Oriental Tiles Limited 2. Deepali Granites Private Limited 3. Suntru Art Work Private Limited
Mr. Vivek Seth Non Executive and Independent S/o Mr. Ramesh Seth R/o 76, South Park Apartments, Kalkaji, New Delhi-110019. Consultant	54 Years	October 6, 2005	Nil
Mr. Mahesh Chandra Mehta Non Executive and Independent S/O Late Shri Madan Raj Mehta R/O 2339, Sector D-II, Vasant Kunj, New Delhi-110 070 Chartered Accountant	56 Years	May 17, 2006	Nil
Mr. Dharam Vir Gupta Non Executive and Independent S/o Late Shri Umrao Singh R/o 570, Civil Lines, Barfkhana, Gurgaon, Haryana-122001. Retired Government Official	66 Years	September 4, 2006	Nil

Details of Directors**Mr. Rajesh Punia**

For further details please refer to section titled "Promoters" on page 75 of this Red Herring Prospectus.

Ms. Savita Punia

For further details please refer to section titled "Promoters" on page 75 of this Red Herring Prospectus.

Mr. Sunil Kumar

Mr. Sunil Kumar, aged 29 years is B.Com (Hons) from Delhi University and MBA from Institute of Marketing and Management, New Delhi. He has more than 5 years of experience in the field of marble trade and custom clearance of Export and Import consignments.

Mr. Vivek Seth

Mr. Vivek Seth, aged 54 years is an Engineering Graduate from Indian Institute of Technology, Madras and holds post graduate diploma in International Trade from Indian Institute of Foreign Trade, New Delhi. He has over 31 years of work experience in the exports industry. He started his career as Executive (Exports) for Scooter India Limited and served them for five years till 1980. He was Deputy Director with Engineering Export Promotion Council from 1980 till 1992. Subsequently, he was associated with Nirman Exports and Syscon Exports Private Limited for two years and four years respectively. Since 1997, he is engaged in providing consultancy in International Trade for granite and marble industry.

Mr. M.C. Mehta

Mr. M.C Mehta is a science graduate and member of Institute of Chartered Accountants of India as well as Institute of Company Secretaries of India. He has more than 31 years of experience which includes 21 years of experience in organizations like TT Group, Ganpati Exports Ltd, Su-Raj Diamonds, Rolled Steel Products (Nigeria), Indian Link Chain Manufacturers Limited, Tungabhadra Industries Limited. He is practising as Chartered Accountant since last 10 years in the field of corporate/project finance, financial management/re-structuring and foreign exchange matters.

Mr. Dharam Vir Gupta

Mr. Dharamvir Gupta aged 65 years is graduate in Economics from Punjab University. He is a member of Indian Institute of Public Administration, New Delhi. He possesses over 35 years of work experience with Government of India in the field of Finance, Administration and held various important positions. During his career he worked as Assistant Financial Advisor in the Ministry of Shipping and Transport overseeing financial matters relating to shipping, ship building, ports including major port trusts and public sector undertakings in these sectors. He has also served as a government nominee director on the board of directors of Hoogly Dock and Port Engineers Limited, Kolkata (a Government of India undertaking) and also a government nominee director on the board of Sindhu Resettlement Corporation Mumbai, responsible for development and allotment of land and houses to displaced Sindhies and for running ancillary industries for manufacturing of bricks, cement, pipes etc. As Deputy Secretary with Government of India, he was responsible for cadre control of officers in Indian Customs and Central Excise Service and other admin policy matters.

Borrowing Powers of the Board

The shareholders of the Company have passed a resolution at the Extra Ordinary General Meeting of the Company held on, December 6, 2006 authorizing the Board of Directors of the Company pursuant to section 293(1)(d) of the Companies Act, 1956 to borrow from time to time monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) for the purpose of the Company in excess of aggregate of the paid up capital of the Company and its, free reserves provided that the total amounts of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs. 3000 lakhs.

Compensation of the Directors**Mr. Rajesh Punia, Managing Director**

Mr. Rajesh Punia has been appointed as Managing Director pursuant to Board Meeting held on December 17, 2005 as approved by shareholders vide resolution passed in EGM held on March 3, 2006 for a period of three years effective from January 1, 2006 to December 31, 2008. The terms & conditions as to payment of compensation has been amended vide resolution passed in Extra-ordinary General Meeting held on May 22, 2006, w.e.f April 1, 2006, details of which are as under:

1. Salary per month - Rs. 2,00,000/-
2. Commission @1% of the Net Profit of the Company
3. Perquisites: Car with Driver for official work. Leave Travel Assistance, Medical and Bonus as per Company rules

Ms. Savita Punia, Whole Time Director

Ms. Savita Punia has been appointed as Whole Time Director pursuant to Board Meeting held on April 29, 2006 as approved by shareholders vide resolution passed in General Meeting held on May 22, 2006 for a period of three years, under the following terms and conditions:

1. Salary per month - Rs. 1,25,000/-
2. Commission @1% of the Net Profit of the Company
3. Perquisites: - Car with Driver for official work. Leave Travel Assistance, Medical and Bonus as per Company rules.

Corporate Governance

The Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with stakeholders, emphasis on communication and transparent reporting.

Pursuant to listing of Equity Shares of the Company, the Company would be required to enter into listing agreements with the Stock Exchanges. The Company is in compliance with the applicable provisions of listing agreement pertaining to corporate governance, including appointment of independent Directors and constitution of committees of Board viz. Audit Committee, Remuneration Committee and Investor Grievance Committee. The Board of Directors of the Company comprises of six Directors including three Independent Directors.

Committees of the Board:***Audit Committee***

The Audit Committee was constituted on September 4, 2006, and presently comprises of:

- Mr. M.C. Mehta (Independent Director), Chairman
- Mr. Rajesh Punia, Member
- Mr. Vivek Seth (Independent Director), Member
- Mr. DharamVir Gupta (Independent Director), Member

The objective of the audit committee is to comply with the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges and Section 292 A of the Companies Act, 1956. The Committee provides directions to and review functions of the audit department. The committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various other internal audit reports and other year end certificates issued by the statutory auditors. Quarterly and annual accounts are placed before the audit committee prior to being presented to the board along with the recommendations of the audit committee.

Remuneration Committee

The remuneration committee was constituted on September 4, 2006. The committee currently comprises of:

- Mr. Vivek Seth (Independent Director), Chairman
- Mr. M.C. Mehta (Independent Director), Member
- Mr. DharamVir Gupta (Independent Director), Member

The objectives of remuneration committee are to assess the remuneration of the Director of the Company keeping in view their competency, qualification and contribution vis-à-vis the profitability, growth and functioning of the Company and recommend the same to the Board of Directors of the Company.

Shareholders Grievance Committee

The composition of Shareholders / Investor Grievance Committee complies with the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges. The Shareholders / Investor Grievance Committee was constituted September 4, 2006. The present members are:

- Mr. M.C. Mehta (Independent Director), Chairman
- Mr. Vivek Seth (Independent Director), Member
- Mr. Rajesh Punia, Member
- Mr. DharamVir Gupta (Independent Director), Member

The Investor Grievance Committee would look into the grievances of the investors of the Company in matters relating to transfer of equity shares, non-receipt of balance-sheet, non-receipt of declared dividend, etc. and resolve them under the provisions of the Companies Act, 1956, SEBI regulations/guidelines and NSE/BSE listing clauses.

Shareholding of the Directors in the Company

The Articles of Association do not require the directors to hold any qualification shares. The present shareholding of Directors is detailed below:

Sr. No.	Name	No. of shares	% of Preissued Capital
1.	Mr. Rajesh Punia	18,53,167	33.67
2.	Ms. Savita Punia	9,73,333	17.69
3.	Mr. Sunil Kumar	5,000	0.09
4.	Mr. Vivek Seth	Nil	Nil
5.	Mr. M.C. Mehta	Nil	Nil
6.	Mr. Dharam Vir Gupta	Nil	Nil

Interest of Directors / Promoters

All the Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of remuneration, reimbursement of expenses payable to them under the Articles of Association. All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them and/or their friends and relatives in the Company or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares. The Directors may also be regarded as interested in the shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

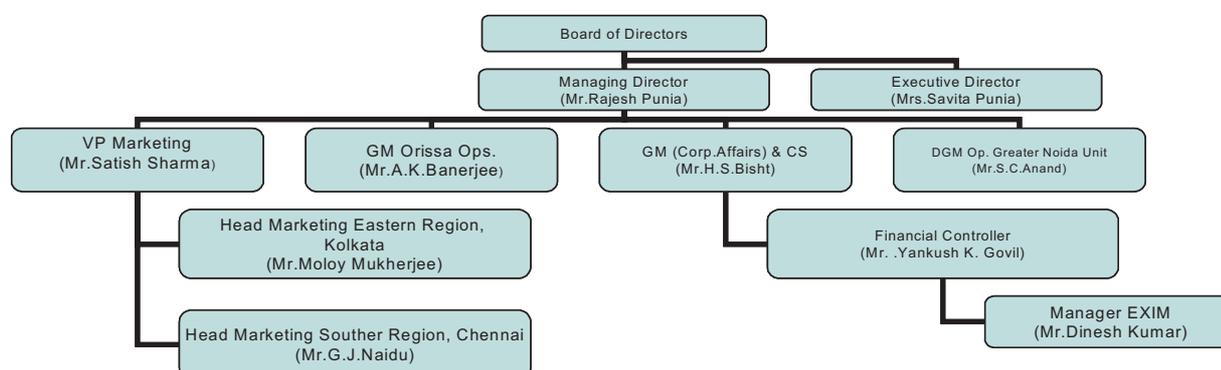
Directors of the Company have no interest in any property in which the Company has an interest within two years of the date of filing of this Red Herring Prospectus, except the following:

Name of Director	Property Details	Mode of Interest
Ms. Savita Punia	Corporate Office situated at 26/25 and 26/26, 2nd Floor, Bazaar Marg, Old Rajinder Nagar, New Delhi	Given on lease to the Company for a period of 5 years commencing from January 1, 2006

Changes in Directors during the last three years

Name	Date of Appointment	Date of Cessation	Reason
Mr. Vivek Seth	October 6, 2005	-	Appointment
Mr. Mahesh Chandra Mehta	May 17, 2006	-	Appointment
Mr. Raj Kumar Sehgal	May 17, 2006	August 5, 2006	Death
Mr. Dharam Vir Gupta	September 4, 2006		Appointment

Organisation Chart



Key Managerial Personnel

Name	Designation	Expe-rience	Date of Joining	Qualification	Previous Employment
Mr. Hari Singh Bisht	General Manager (Corporate Affairs) and Company Secretary	21 years	November 1, 2005	M.B.A. (Finance), C.S., LL.B., M.Com	Ilpea Paramount Limited,
Mr. Yankush K. Govil	Financial Controller	8 years	October 5, 2005	MFC, C.S., B.Com (Hons.)	The Pioneer, Delhi
Mr. Dinesh Kumar	Manager EXIM	13 years	May 1, 1998	B.Com (Hons.)	Deepali International
Mr. Satish Sharma	Vice President (Marketing)	20 years	April 1, 2003	M.B.A. (Marketing) Mangla	Marble and Granite Private Limited
Mr. S.C. Anand	Deputy General Manager (Operations), Greater Noida Unit	30 years	April 1, 2003	B.E. (Electrical)	Samtel Colour Limited
Mr. Amal Kumar Banerjee	G.M. Orissa Operations	30 years	September 1, 2005	B.E. (Mechanical)	Shanfari Marble Company, Muscat (Oman)
Mr. Moloy Mukherjee	Head, Sales and Marketing Eastern Region Office, Kolkata	10 years	February 1, 1998	B.Sc. and Post Graduate Diploma in Business Management	No previous experience
Mr. G.J.Naidu	Head, Sales and Marketing Southern Region Office, Chennai	20 years	August 16, 2001	B.A. and Post Graduate Diploma in Personnel and Marketing Management	Geo Granites (P)Ltd

Brief Profile of the Key Managerial Personnel**Mr. Hari Singh Bisht**

Mr. Hari Singh Bisht, aged 40 years is M.B.A. (Finance), A.C.S., LL.B. besides being M.Com and is presently working as General Manager (Corporate) and Company Secretary of the Company since November 1, 2005. For the initial thirteen years of his career, he served the Indian Air-Force in the Administrative Wing. He was associated with M/s Nuchem Limited as Manager Finance for four years. Also, he served as Company Secretary and Legal Head in Ilpea Paramount Limited before associating with the Company. He has experience in the field of finance, taxation, secretarial and legal and compliances. His annual compensation for FY 2005-06 was Rs 6.00 lakhs.

Mr. Yankush K. Govil

Mr. Yankush K. Govil, aged 31 years has done Masters in Financial Control from Punjab University, Company Secretary and B.Com (Hons.) from Delhi University. His eight years of experience includes working with The Pioneer as Manager (Finance and Accounts) and M/s T.T. Limited as Manager (Finance) before associating with the Company on October 5, 2005 as Financial Controller. He has experience in the field of finance, secretarial and accounting matters. His annual compensation for FY 2005-06 was Rs.4.20 lakhs.

Mr. Dinesh Kumar

Mr. Dinesh Kumar, aged 44 years is B.Com (Hons.) from Kolkatta University. He possesses thirteen years of experience in the areas of importing and exporting activities under the EXIM Policies. His areas of activities in the organization relate to handling the overall export and import activities including the preparation of documents related thereto and liaisoning with the governmental agencies concerned with the export and import activities. His annual compensation for FY 2005-06 was Rs. 2.12 lakhs.

Mr. Satish Sharma

Mr. Satish Sharma aged 48 years is M.B.A. (Marketing) from Delhi University. Mr. Sharma has been associated with the marble industry for last twenty years in the areas of marketing of imported as well as indigenous marble for domestic as well as international markets. He has served M/s Mangla Marbles as Vice President before being associated with the Company in April, 2003 as Vice President (Marketing). His annual compensation for FY 2005-06 was Rs. 3.63 lakhs.

Mr. S.C. Anand

Mr. S.C. Anand, aged 52 years is a B.E. (Electric) from Y.M.C.A Institute of Engineering, Kurukshetra University. He has around 30 years of experience which includes working with Prakash Tubes Limited as Department Head-Electrical, Mainavati Steel

Private Limited as General Manager and Samtel Colour Limited, Ghaziabad. He is associated with the Company for over three years and is looking after the planning and production activities of factory including its electrical maintenance as Deputy General Manager (Operations), Greater Noida Unit. His annual compensation for FY 2005-06 was Rs3.20 lakhs.

Mr. Amal Kumar Banerjee

Mr. Amal Kumar Banerjee, aged 61 years is B.E. (Mechanical) from Defence Technical Training Institute, Cossipore, Kolkatta. He has thirty years of experience in the field of marble and granite processing unit including project implementation. He is presently associated with the Company as General Manager (Orissa Operations) since September 1, 2005 with the overall responsibility of operations and production of the granite quarries in the State of Orissa. His annual compensation for FY 2005-06 was Rs 6.60 lakhs.

Mr. Moloy Mukherjee

Mr. Moloy Mukherjee aged 33 years is a science graduate and hold postgraduate diploma in business administration. He joined the Company in 1998 as a marketing executive and is now heading the Eastern Region Sales and Marketing Office of the Company at Kolkata. His annual compensation for FY 2005-06 was Rs. 2.20 lakhs.

Mr. G.J.Naidu

Mr. G.J.Naidu, aged 49 years, a graduate of SV University and hold Post Graduate Diploma in Personnel and Marketing Management joined the Company in 2001 and presently heads the Southern Region Sales and Marketing Office of the Company at Chennai. Mr. Naidu has experience in administration, personnel, marketing and commercial matters. His annual compensation for FY 2005-06 was Rs. 2.65 lakhs.

None of the Key Managerial Personnel are related to each other. All the above-mentioned key managerial personnel are permanent employees of the Company.

Shareholding of Key Managerial Personnel in the Company

The key managerial personnel do not hold any shares in the Company at present.

Changes in the Key Managerial Personnel during the last 12 months

Name	Designation	Date of Change	Reasons
Mr. Hari Singh Bisht	General Manager (Corp.) and Company Secretary	November 1, 2005	Appointment
Mr. Yankush K. Govil	Financial Controller	October 5, 2005	Appointment
Mr. Amal Kumar Banerjee	General Manager Orissa Operations	September 1, 2005	Appointment

Bonus or Profit sharing plan for the Key Managerial Personnel

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

Employees Share Purchase Scheme / Employee Stock Option Scheme

The Company does not have any stock option scheme or stock purchase scheme for its employees

Details of loans taken by Directors / key managerial personnel

The Directors and key managerial personnel have not taken any loan from the Company

Payment or benefit to officers of the Company

There has been no other benefit or payment given to the employees / key managerial personnel of the Company other than salary.

PROMOTERS**1. Mr. Rajesh Punia**

Voter ID No. : BNR0534461
 Passport No. : Z1396172
 Permanent Account No. : AADPP6181E

Mr. Rajesh Punia, aged 45 years, is the main promoter of the Company. He is Law Graduate from Rajasthan University, Jaipur. Mr. Punia has more than 15 years of experience in the field of marble / granite trade and industry including international trade. As Managing Director of the Company, he oversees the day to day affairs of the Company with main focus on sourcing of imported raw materials and export-import matters. He started the business of marble and granite by forming a registered partnership firm in the name of Oriental Exports in March-April 1991 which dealt in trading of marble and granites and was later converted into Oriental (Buildmat) Exports Private Limited in the year 1998. Further, in order to expand the business, a wholly-owned subsidiary of Oriental (Buildmat) Exports Private Limited by the name of Colombo Stone Industries Private Limited was incorporated in Sri-Lanka in 1999.

2. Ms. Savita Punia

Voter ID No. : BNR0534479
 Passport No. : E8916378
 Permanent Account No. : AALPP07292L

Ms. Savita Punia, aged 40 years, wife of Shri Rajesh Punia, is an arts graduate and one of the main promoters of the Company. She has around 10 years of experience in handling administration and human resource functions of the Company.

It is hereby confirmed that the permanent account number, bank account number and passport number wherever available of all the above Promoters were submitted to the Stock Exchanges at the time of filing the Red Herring Prospectus with the Stock Exchanges.

3. ORIENTAL TILES LIMITED

The company was originally incorporated on October 23, 1998 as Oriental Tiles Private Limited, and was later converted into Public Limited Company vide fresh certificate of incorporation dated January 16, 2001, under the present name Oriental Tiles Limited. The company is engaged in trading of marble and granite.

Board of Directors

1. Mr. Rajesh Punia
2. Ms. Savita Punia
3. Mr. Sunil Kumar

Shareholding Pattern as on December 30, 2006

Name	No. of shares of Rs. 10 each	% of the total paid up capital
Rajesh Punia	54,510	48.10
Savita Punia	6,010	5.30
Pradeep Chaudhary	1,000	0.88
Sunil Kumar	1,500	1.32
Sumesh Chaudhary	100	0.09
Rakesh Punia	100	0.09
Mahesh Punia	100	0.09
Oriental (Buildmat) Exports Private Limited	50,000	44.12
Total	1,13,320	100.00

Brief Financials

(Rs. In Lakhs)

Particulars (Audited financials for the financial year ended)	2003-04	2004-05	2005-06
Sales	382.30	688.78	646.56
Other Income	14.76	6.35	3.61
Profit after tax	6.80	1.87	6.56
Equity Share Capital	11.33	11.33	11.33
Reserves (excluding Revaluation Reserves)	19.31	21.19	27.75
Net Worth	30.37	32.30	39.08
Earning per share (Rs.)	6.02	1.65	5.81
Book Value per Share (Rs.)	26.88	28.51	34.59

Oriental Tiles Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act 1985 and it is not under winding up.

The promoters have decided to discontinue the business of dealing in marble and granite in a phased manner so as to avoid possible conflict of interest with Oriental Trimex Limited. The turnover of Oriental Tiles Limited during financial year ended March 31, 2006 is Rs. 646.56 lakhs in comparison to Rs. 688.78 lakhs during previous year 2004-05. The company plans to discontinue its entire operations by March 31, 2008. Oriental Tiles Limited is in the process of diverting its existing customers to Oriental Trimex Limited which will be done by March 31, 2008 in a phased manner. This will not adversely affect the operations of Oriental Trimex Limited.

4. ORIENTAL (BUILDMAT) EXPORTS PRIVATE LIMITED

The company was incorporated on December 9, 1998 as Oriental (Buildmat) Exports Private Limited. The company is engaged in trading of marble and granite.

Board of Directors

1. Mr. Rajesh Punia,
2. Ms. Savita Punia

Shareholding Pattern as on December 30, 2006

Name	No. of shares of Rs. 10 each	% of the total paid up capital
Rajesh Punia	1,99,990	66.67
Savita Punia	10	0.03
Mahesh Punia	1,00,000	33.33
Total	3,00,000	100.00

Brief Financials

(Rs. in Lakhs)

Particulars (Audited financials for the financial year ended)	2003-04	2004-05	2005-06
Sales	70.80	38.96	9.46
Other Income	2.88	6.88	36.69
Profit After Tax (PAT)	3.90	1.83	25.09
Equity Capital	30.00	30.00	30.00
Reserves (excluding Revaluation Reserves)	7.29	9.13	33.50
Net Worth	37.29	39.13	63.49
Earning per Share (Rs.)	1.30	0.61	8.34
Book Value per Share (Rs.)	12.43	13.04	21.17

Oriental (Buildmat) Exports Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act 1985 and it is not under winding up.

The promoters have decided to discontinue the business of dealing in marble and granite in a phased manner so as to avoid possible conflict of interest with Oriental Trimex Limited. The company has already reduced its operations considerably and its turnover was Rs. 9.46 lakhs for the year ended March 31, 2006 in comparison to Rs. 38.96 lakhs and Rs. 70.80 lakhs for the financial year 2004-05 and 2003-2004 respectively. The promoters of the company intends to discontinue the operations in this company by March 31, 2007.

It is hereby confirmed that the permanent account number and bank account have been submitted to the BSE and NSE. Further, Promoters have confirmed that they or any promoter group companies have not been detailed as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Interest of Promoters

Promoters are interested to the extent of their shareholding for which they are entitled to receive dividend declared, if any by the Company. Further, since Promoters are also Directors of the Company, they are interested to the extent of their remuneration from the Company as disclosed under the section "Management" appearing from page no. 69 of this Red Herring Prospectus.

PROMOTER GROUP COMPANIES / ENTITIES**1. COLOMBO STONES INDUSTRIES (PRIVATE) LIMITED**

The company is a 100% wholly owned subsidiary of Oriental (Buildmat) Exports Private Limited. The company was incorporated on January 18, 1999 as Colombo Stones Industries (Private) Limited under the provisions of Section 15(1) of Companies Act, 1982 of Sri Lanka. The company is engaged in business of cutting, polishing, processing, exporting and dealing in marble, granite slate and stones, quartzite and similar stones. The installed capacity of the company is 1,00,000 sq.mtrs.

Board of Directors

1. Mr. Rajesh Punia
2. Ms. Savita Punia

Shareholding Pattern as on December 30, 2006

SR. No.	Shareholder	No. of Shares
1.	Mr. Rajesh Punia	1
2.	Mrs. Savita Punia	1
3.	Oriental (Buildmat) Exports Private Limited	296,305
Total		296,307

Brief Financials

(SLR-(Srilankan) in Lakhs)

Particulars (Audited financials for the financial year ended)	2003-04	2004-05	2005-06
Sales	1738.79	620.16	606.30
Other Income	(10.78)	(3.63)	8.06
Profit After Tax (PAT)	82.40	60.38	69.41
Equity Capital	29.63	29.63	29.63
Accumulated Profits	108.88	169.26	179.41
Net Worth	138.51	198.89	209.04
Earning per Share (EPS) Rs.	27.81	20.38	23.45
Book Value per Share Rs.	46.75	67.13	70.55

Colombo Stones Industries (Private) Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company and it is not under winding up.

Colombo Stone Industries Private Limited is a company registered in Srilanka, is a wholly owned subsidiary of Oriental Buildmat Exports Private Limited and was incorporated in the year 1999 and has its operations located in Exports Processing Zone in Colombo, Sri Lanka. The management does not foresee any conflict of interest with Oriental Trimex Limited since the company is located outside India and has other customers in Sri Lanka, India and other countries. This company has manufacturing facilities and having installed capacity of 1,00,000 sq. mtrs.

2. DEEPALI GRANITES PRIVATE LIMITED

The company was incorporated on April 7, 2006 as Deepali Granites Private Limited. The company is engaged in trading of marble and granite. The company acquired running business of the Partnership firm M/s Deepali International along with all its assets and liabilities.

Board of Directors

1. Mr. Rajesh Punia,
2. Ms. Savita Punia
3. Mr. Sunil Kumar

Shareholding Pattern as on December 30, 2006

Name	No. of shares of Rs. 10 each
Rajesh Punia	5000
Savita Punia	4000
Sunil Kumar	1000
Total	10,000

The brief financials of erstwhile firm are as follows:-

Particulars (Audited financials for the financial year ended)	2003-04	2004-05	2005-06
Sales	0.86	-	-
Other Income	-	-	-
Profit After Tax (PAT)	(0.51)	(0.06)	-
Partner's Capital Accounts	0.28	0.22	-
Fixed Assets	0.02	0.01	0.01

Deepali Granites Private Limited is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act 1985 and it is not under winding up.

The promoters have now decided to discontinue the business of dealing in marble and granite in a phased manner so as to avoid possible conflict of interest with Oriental Trimex Limited. The company was incorporated in April 2006 and took over the erstwhile Deepali International, a partnership firm. The operations of this firm have already been discontinued and company did not have any turnover for the year ended 31.03.2006 and 31.03.2005.

In addition to the above promoter group companies, Promoters have two sole proprietorship (unregistered) firm in the name of M/s Rajesh Punia and M/s Savita Punia for acquiring of marble mines in the state of Rajasthan on March 31, 2005. No transactions have been undertaken in these firms till date.

The unregistered firms in the name M/s Rajesh Punia and M/s Savita Punia were formed with a view to do business of acquiring marble mines but as on date no operation has been carried out in the same. The proprietors have now decided not to continue any business in these two unregistered firms in future also.

RELATED PARTY TRANSACTIONS

As Per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

Associated Companies	Associated Concern	Companies/Concerns Managed by the relative of Managing Director	Director & Their Relatives
Oriental Tiles Limited	M/S Deepali International Now converted to Deepali Granites Private Limited	Oriental Air & Ship Services Limited	Mr.Rajesh Punia, Managing Director
Oriental Buildmat Exports Private Limited		M/S Oriental Impex	Mrs.Savita Punia, Whole Time Director
Colombo Stone Industries Private Limited		M/S Oriental Marbles	Mr.Sunil Kumar, Non Executive Director

(Rupees in Lakhs)

As Per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

Sl.	Name of party	Relation-ship	Nature of transaction during	Volume of transaction on the year 2006-07	Amount out stand as during 15/12/06	Volume of transaction on the year 2005-06	Amount out stand as during 31/03/06	Volume of transaction on the year 2004-04	Amount out stand as during 31/03/05	Volume of transaction on the year 2003-04	Amount out stand as during 31/03/04	Volume of transaction on the year 2002-03	Amount out stand as during 31/03/03	Volume of transaction on the year 2001-02	Amount out stand as 31/03/02	
a)	Oriental Tiles Limited	Associate Company	Sales of Goods	54.88	0.00	151.62	(107.93)	211.07	(184.93)	145.45	(125.28)	225.31	(76.85)	82.56	0.00	
			Purch-of Goods	177.59	17.01	259.37		242.84		128.34		119.85		191.74		
			Loans taken	43.00	47.15	4.15	4.15	-	-	-	-	-	-	-	-	-
			Com-mission	00	00	1.26		1.53		1.47		0.21		0.74		
b)	Oriental Buildmat private limited	Associate Company	Sales of Goods	00	00	0.00		0.00		28.74		0.00		0.00		
			Purch-of Goods	00	00	9.47	0.00	24.23	35.62	0.00	64.60	86.46	27.99	75.65	0.00	
			Loans Repaid	00	00	0.00		30.62		6.17		5.00		41.88		
			Loans taken	49.70	00	14.08	49.70	1.64	0.00	4.00	0.00	0.00	66.77	81.78	71.77	
c)	Colombo Stone industries Private Limited	Associate Company	Sales of Goods	00	00	7.44		0.00		4.38		0.00		0.00	(2.58)	
			Purch-ase of Goods	337.55	341.86	154.23	244.63	121.50	356.52	532.97	514.76	82.35	254.14	474.17	343.93	
			Loans Repaid	00	00	148.03		0.00		5.33		0.00		0.00		
			Loans taken	00	00	-	-	-	148.03	-	148.03	153.46	153.46			
d)	Oriental Air & Ship Services Limited	Managed by relative of managing director	Purch-ase of services	1.95	00.00	5.99		1.27	(0.93)	1.29		0.27		0.31		
e)	M/S Oriental Impex	Managed by relative of managing director	Sales of goods	19.11	00	29.68										

Sl.	Name of party	Relation-ship	Nature of transaction during	Volume of transaction on the year 2006-07	Amount out stand as during 15/12/06	Volume of transaction on the year 2005-06	Amount out stand as during 31/03/06	Volume of transaction on the year 2004-04	Amount out stand as during 31/03/05	Volume of transaction on the year 2003-04	Amount out stand as during 31/03/04	Volume of transaction on the year 2002-03	Amount out stand as during 31/03/03	Volume of transaction on the year 2001-02	Amount out stand as 31/03/02	
f)	M/S Oriental Marble	Managed by relative of managing director	Sales of goods	00	00	-	-	5.42	(42.31)	-	(24.40)	10.53	(62.63)	142.16	(87.07)	
			purchase of goods	00	00	41.77	-	-	-	15.24	-	-	-	-	3.01	-
g)	M/S Deepali International	Associated concern	Sales of goods	00	00	-	-	-	-	-	-	-	-	-	(12.63)	
h)	Mrs. Savita punia	Whole time director	Sales of goods	0.00	00.00	-	-	-	-	1.77	-	-	-	-	-	
			Remuneration	8.12	1.48	2.25	1.34	3.00	1.16	2.70	-	2.22	-	1.50	-	
			Security deposite	00	18.00	18.00	-	-	-	-	-	-	-	-	-	-
			Rent	3.81	1.69	2.40	-	1.20	-	1.20	-	1.20	-	-	-	-
			Loans taken	19.94	7.54	14.78	25.14	10.00	9.42	-	-	-	-	-	-	-
i)	Mr. Rajesh Punia	Managing director	Remuneration	17.00	1.78	9.86	8.29	3.07	1.98	3.00	-	3.00	-	1.98	3.30	
			Car hire charges	00	00	-	-	-	-	-	-	-	-	-	1.80	-
			Loans taken	4.25	1.85	32.92	33.45	-	-	-	-	-	-	-	-	-
j)	Mr. Sunil Kumar	Director	Remuneration	00.00	00.00	1.80	-	1.08	-	1.08	-	1.08	-	0.96	-	

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, all references to “Rupees” and “Rs.” are to the legal currency of India.

In this Red Herring Prospectus, throughout all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “Risk Factors”, “Existing Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of financial statements of the Company prepared in accordance with Indian GAAP.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of the Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition.

The detail of the dividends declared by the company in the previous five years is as follows:

Year ended 31st March	2002	2003	2004	2005	2006	For the period April 1, 2006 till December 15, 2006
Dividend (Interim and final) (Rs in Lakhs)	0	0	17.02	6.81	26.00	Nil
Dividend (%)	0	0	10.00	3.48	10.00	Nil

SECTION V - FINANCIAL INFORMATION OF THE COMPANY

AUDITORS' REPORT

Board of Directors,
Oriental Trimex Limited,
708,7th Floor, Padma Tower-1,
5 Rajindra Place,
New Delhi-110 006

Dear Sirs,

We have examined the annexed financial information of Oriental Trimex Limited for the five financial years from financial year ended 31st March 2002, 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 & 15th December 2006, being the last date to which the accounts of the Company have been made up and audited. The Financial information is based on the accounts audited by us for the years ended 31st March 2003, 2004, 2005 and 2006 and the accounts for the year ended 31st March, 2002, which have been audited by M/s Rakesh K. Takyar & Co., Chartered Accountants, 301, Citizen Rajesh Sadan, 1/28, Tilak Nagar, New Delhi -110018

These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on our audit. These accounts were approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as 'the Issue').

The above statements are prepared in accordance with the requirements of:

- a) Paragraph B (1) of Part" of Schedule" of the Companies Act, 1956 ('the Act');
- b) The Securities and Exchange Board of India (Disclosure and Investor Protection) guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India Act,1992 and related amendments and
- c) Our terms of reference with the Company dated 15.12.2006 requesting us to carry out work in connection with the Offer Document as aforesaid. We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report:
 - i) The restated profits/losses of the Company for the period ended 31st March, 2002, 2003, 2004, 2005, 2006 and as on 15th December 2006 are as set out in Annexure I to this report. These profits/losses have been arrived at after charging all expenses including depreciation and after making such adjustments/ restatements and regrouping as in our opinion are appropriate and subject to the accounting policies and Notes thereon appearing in Annexure-II A to this report.
 - ii) The restated assets and liabilities of the Company as at 31st March 2002, 2003, 2004, 2005, 2006 and 15th December,2006 are as set out in Annexure II to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Accounting Policies and Notes thereon appearing in Annexure-II A to this report.
 - iii) Statement of Other Income as appearing in Annexure III,
 - iv) Statement of Changes in Accounting Policies as appearing in Annexure IV,
 - v) Certificate in respect of Contingent Liabilities as appearing in Annexure V,
 - vi) Statement of Unsecured Loans (including those from related parties) as appearing in Annexure VI,
 - vii) Age wise detail of sundry debtors for above mentioned period as appearing in Annexure VII,
 - viii) Break-up of loans & advances for above mentioned period as appearing in Annexure VIII,
 - ix) Capitalization statement as at 31st March, 2006 and 15th December,2006 as appearing in Annexure IX,
 - x) Statement of Tax Shelter as appearing in Annexure X,
 - xi) Statement of quoted investments as appearing in Annexure XI,
 - xii) Accounting Ratios as appearing in Annexure XII,
 - xiii) Statement of dividend declared/distributed as appearing in Annexure XIII,
 - xiv) Detail of transaction with the related parties (Related parties within the meaning of AS 18 issued by ICAI) as appearing in Annexure XV,
 - xv) Statement of secured loans and security against the loans as appearing in Annexure XVI,
 - xvi) Statement of Cash Flow as appearing in Annexure XVII.

In our opinion the financial information of the Company as stated above read with significant accounting policies attached in Annexure" A to this report, after making adjustments/restatements and regroupings as considered appropriate, has been prepared in accordance with Part II of schedule II of the Companies Act, 1956 and the Guidelines issued by SEBI.

This report is intended solely for your information and for inclusion in the Offer document in connection with the specific Public Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Mehra Wadhwa & Co.,
Chartered Accountants

Rakesh Mehra, F.C.A
(Partner)
Membership No. - 83784

Place : New Delhi

Date : December 26, 2006

STATEMENT OF PROFIT AND LOSS FOR LAST FIVE YEARS

STATEMENT OF AUDITED PROFIT AND LOSS AS RESTATED

(Rupees in Lakhs)

	Year ended 31st March					For period ended December 15, 2006
	2002	2003	2004	2005	2006	
INCOME						
Sales & Job Work of						
-Products manufactured by the Company	1,341.85	1,071.99	1,955.66	1,616.03	4,088.09	3773.74
-Products Traded by the Company	68.74	20.39	398.15	884.88	985.63	1040.04
-Other Income	12.24	9.11	18.99	20.47	18.87	31.72
Increase Decrease in Inventory	225.35	264.41	(112.68)	19.94	111.57	477.96
Total Income	1,648.18	1,365.90	2,260.12	2,541.32	5,204.16	5323.46
EXPENDITURE						
Raw material & goods consumed	1,475.68	1,055.95	1,835.96	2,017.75	4,104.56	4381.84
Staff Cost	18.57	29.13	60.71	78.63	130.16	107.14
Other manufacturing expenses	11.50	62.54	73.36	125.31	244.45	132.40
Admininstration, Selling & Distribution Costs	64.01	67.61	114.18	116.29	173.73	145.28
Interest	29.23	70.04	73.57	87.82	117.62	120.52
Depreciation	1.57	10.91	14.05	17.21	20.20	16.49
Miscellaneous Expenditure Written off	0.06	0.06	0.06	0.06	0.06	-
Total Expenditure	1,600.62	1,296.24	2,171.89	2,443.07	4,790.78	4903.66
Net profit before tax and extraordinary items	47.56	69.66	88.23	98.25	413.38	
Provision for taxation	9.00	25.32	32.93	40.71	137.14	142.93
Net profit after tax & before extraordinary items	38.56	44.34	55.30	57.54	276.25	276.87
Extraordinary items (net of tax)	-	-	-	-	-	-
Net Profit after extraordinary items	38.56	44.34	55.30	57.54	276.25	276.87
Earlier year adjustment	(0.48)	(0.40)	(2.02)	(0.22)	(0.83)	(0.10)
Net Profit as restated	38.08	43.94	53.28	57.32	27.42	276.77
Appropriations						
- Transfer to General Reserve	3.00	10.00	10.00	10.00	40.00	-
- Proposed dividend	-	-	-	6.81	-	-
- Interim Dividend	-	-	17.02	-	26.00	-
- Dividend Tax	-	-	2.18	-	3.65	-
Balance carried to Balance Sheet	35.08	33.94	24.08	40.51	205.77	276.77

STATEMENT OF AUDITED ASSETS AND LIABILITIES

(Rupees in Lakhs)

	As at 31st March					For period ended December 15,2006
	2002	2003	2004	2005	2006	
A Fixed assets - Gross Block	239.00	328.90	366.27	457.87	502.63	536.60
Less: Depreciation	4.20	15.12	29.17	46.37	65.91	82.40
Net Block	234.80	313.78	337.10	411.50	436.72	454.20
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	234.80	313.78	337.10	411.50	436.72	454.20
B Investments	-	-	-	-	-	-
C Current assets, loans & advances						
- Inventories	362.96	545.73	507.46	583.90	832.92	1,240.51
- Receivables	533.61	476.76	681.42	607.97	1,061.33	1,663.93
- Cash and bank balances	7.02	40.40	45.21	42.99	143.94	105.26
- Other current assets	38.96	48.78	54.62	56.60	159.41	389.29
- Loans and advances	6.60	10.50	10.50	8.40	8.40	8.40
Total	949.15	1,122.17	1,299.21	1,299.86	2,206.00	3,407.40
D Liabilities & Provisions						
- Secured Loans	308.49	455.29	413.31	585.50	901.35	1,275.63
- Unsecured Loans	117.81	266.22	279.38	255.54	197.40	191.24
Current liabilities and provisions	522.08	415.55	601.07	410.23	827.64	1,347.46
Deferred tax liability	-	23.22	32.65	44.87	40.75	42.75
Total	948.38	1,160.28	1,326.41	1,296.14	1,967.14	2,857.08
E Net Worth (A+B+C-D)	235.57	275.67	309.90	415.22	675.58	1,004.52
F Represented by						
Share Capital	165.12	170.12	170.22	195.22	433.33	550.33
Share application money	-	-	-	29.75	-	-
Reserves and Surplus	70.96	106.00	140.07	190.58	263.02	539.79
Less: Miscellaneous expenditure not written off	0.51	0.45	0.39	0.33	20.77	85.61
Net Worth	235.57	275.67	309.90	415.22	675.58	1,004.52

I. SIGNIFICANT ACCOUNTING POLICIES**ANNEXURE II A****a) Basis of preparation of financial statement**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles as adopted consistently by the Company and the provisions of the Companies Act, 1956. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.⁴

b) Fixed Assets :

Fixed assets are stated at historical cost including directly attributable costs of bringing the assets to their working condition and are net of credit under the CENVAT scheme where applicable.

Preoperative expenditure including borrowing cost (net of revenue) incurred during the construction/trial run of new project is allocated on an appropriate basis to fixed assets on commissioning.

c) Depreciation :

Depreciation on Fixed Assets is provided on the straight line method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

d) Inventories :

Inventories are valued as under:-

Raw Materials	At weighted average cost
Semi-finished	At estimated cost
Finished	At lower of production/landed cost or net realisable value.
	Appropriate overheads are loaded on absorption costing basis.
Goods in transit	At cost
Stores and consumables	At cost

e) Revenue Recognition :

Sales of products are recognised when the products are shipped and are stated net of excise duty, sales tax, trade discounts and sales returns.

Revenue is recognised when no significant uncertainties exist in relation to the amount of eventual receipt.

The Company generally follows mercantile system of accounting and all income and expenditure items having a material bearing on the financial statements are recognised on accrual basis. However, in respect of gratuity and earned leave, which were hitherto accounted for on as when paid basis, are now being accounted for on accrual basis. Kindly refer to Clause II below regarding changes in accounting policies. Consequently, the Balance Sheet and the Profit and Loss Account have been recast.

f) Foreign Currency Transactions :

i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction.

ii. Gains/losses arising out of fluctuation in the exchange rates are recognised in the period in which they arise except in respect of Fixed Assets, where exchange variance is adjusted in the cost of the respective assets.

iii. Foreign currency receivables/payables are translated at the relevant rates of exchange prevailing at the year end except in the case of gain where significant uncertainties exist in relation to the actual realisation.

g) Excise Duty:

Excise Duty is accounted for as and when paid on the clearance of the goods from the factory.

h) Employees' Retirement and Other Benefits:

Company's contribution to Provident, Superannuation Funds is accounted for on accrual basis and charged to Profit and Loss Account. However, during the year 2005-06, the Company has changed the system of accounting for Gratuity and Earned Leave Encashment. (Kindly refer to clause II below regarding changes in accounting policies).

i) Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets prior to commencement of commercial production are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

j) Miscellaneous Expenditure

Preliminary expenses are being amortized in ten equal annual installments.

k) Events occurring after Balance Sheet date:

Significant events occurring after the Balance Sheet date have been considered in the preparation of financial statements.

l) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

m) Impairment of Fixed Assets

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. An impairment loss is charged to the Profit and Loss Account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

ANNEXURE III**Breakup of Other Income**

(Rupees in Lakhs)

Year ended 31st March	2002	2003	2004	2005	2006	For period ended December 15, 2006
Exchange Rate Difference	-	3.53	13.34	15.29	12.48	-
Interest On Fixed Deposits With Banks	0.90	1.14	1.52	2.12	2.62	31.72
Insurance Claim	5.46	4.24	0.47	-	2.09	-
Commission On Hss	1.08	0.21	1.47	1.53	1.39	-
Refund Of Custom Duty	1.96	-	-	-	-	-
Unpaid Credited Written Back	2.84	-	-	1.53	0.30	-
Others	-	-	2.19	-	-	-
	12.24	9.11	18.99	20.47	18.87	31.72

ANNEXURE IV**CHANGES IN ACCOUNTING POLICIES**

- There are no changes in accounting policies in the financial years 2001-02, 2002-03, 2003-04 and 2004-05 and the current period.
- Changes in financial year 2005-06.

a) Gratuity

Till Financial Year 2004-05, the Company was accounting for gratuity on as and when paid basis. Financial year 2005-2006 onwards, the management has decided to provide for gratuity on the basis of actuarial valuation. Had the Company not provided for gratuity on actuarial valuation basis, the Company's net profit before tax would have been higher by Rs. 5,52,447 and the provisions would have been lower by the same amount. However, the Balance Sheet and Profit and Loss Account have been recast in view of this change.

b) Earned Leave Encashment

Till FY 2004-05, the Company was accounting for liability for earned leave on payment basis. However, from the financial year 2005-2006 onwards, the Company has decided to account for earned leave liability for the year on accrual basis. Had the Company not provided for earned leave encashment on accrual basis, the Company's net profit before tax would have been higher by Rs.1,30,045 and the current liabilities would have been lower by the same amount. However, the Balance Sheet and Profit and Loss Account have been recast in view of this change.

ANNEXURE V**STATEMENT OF CONTINGENT LIABILITIES**

- The Company has the following contingent liabilities for which no provisions have been made in the books of accounts of the Company for the year ended 31st March, 2006.

(Rupees in Lakhs)

S.No.	Particulars	Year ended 31st March					For period ended December 15, 2006
		2002	2003	2004	2005	2006	
1	Letters of credit	-	-	-	59.80	327.00	203.60
2	Bank Guarantees	-	73.59	57.75	12.27	55.99	59.80
3	Guarantee issued to Customs Authorities	1.95	1.95	2.90	2.70	8.89	8.89
4	Claims against the Company not acknowledged as debts (net of deposit)						
	- Income tax	2.90	2.90	0.38	6.40	-	-
	- Sales Tax	-	1.72	3.46	5.94	6.60	12.32
	- Excise	-	-	-	-	23.73	23.73

- We have examined all the contracts, claims and litigations against the Company and have analyzed the likely impact of the same as indicated above. We certify that apart from the contingent liabilities indicated above, the Company does not have any other contingent liabilities.

ANNEXURE VI

DETAILS OF UNSECURED LOANS

The following is the break up of outstanding unsecured loans in the last five years

Rupees in Lakhs)

S.No.	Name of Lender	Interest Rate (%)	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	As at December 15,2006
	From Companies under the same management							
1	Oriental (Buildmat) Exports Private Limited		71.77	66.77	64.60	35.62	49.70	-
2	Oriental Tiles Limited		-	-	-	-	4.15	47.15
3	Colombo Stone Industries Private Limited		-	153.46	148.03	148.03	-	
			71.77	220.23	212.63	183.65	53.85	47.15
	From Directors							
4	Rajesh Kumar Punia		-	-	-	-	33.44	1.85
5	Savita Punia		-	-	-	-	25.15	7.54
			-	-	-	-	58.59	9.39
	From Others							
6	Pushpa Aggarwal	8%	9.98	10.78	11.56	12.39	9.26	4.50
7	Wool Spun Limited	8%	18.91	20.26	21.55	22.91	24.33	15.56
8	Sonal Garments		-	-	10.42	8.04	-	-
9	Dimex Granites		7.94	7.94	-	-	-	-
10	Jasmine Kaur		4.68	-	-	-	-	-
11	Popli & Sons		4.52	-	-	-	-	-
12	Kotak Mahindra Bank	17%	-	-	6.20	9.42	-	17.94
13	HDFC Bank Limited	14%	-	7.00	10.00	10.00	14.32	11.06
14	ICICI Bank Limited	17%	-	-	7.02	9.12	11.85	8.16
15	IDBI Bank Limited	14%	-	-	-	-	9.77	7.63
16	Standard Chartered Bank Limited	17%	-	-	-	-	15.42	11.41
17	Intec Securities Limited	8.50%	-	-	-	-	-	58.4
			46.03	45.98	66.75	71.88	84.95	134.69
	GRAND TOTAL		117.81	266.21	279.38	255.54	197.40	191.24

NOTE (1) : No terms and conditions as to repayment are stipulated in respect of the loans taken from Companies under the same management and from Directors

Statement of Unsecured Loans

(Amount Rs.in Lakhs)

Sl.No.	Name of lender	Nature of loan	Sanctioned amount as on 15,2006	Amount outstanding (%)	Rate of interest	EMI	Repayment terms	Securities
1	HDFC Bank	Working Capital Support	15.00	11.06	14	0.51	36 Monthly instalments	Personal gurantee of promoters
2	ICICI Bank	Working Capital Support	10.00	3.61	17	0.36	36 Monthly instalments	Personal gurantee of promoters
3	ICICI Bank	Working Capital Support	6.80	4.55	17	0.19	48 Monthly instalments	Personal gurantee of promoters
4	IDBI Bank Capital Support	Working Capital Support	10.00	7.63	14	0.34	36 Monthly instalments	Personal gurantee of promoters
5	Standard Chartered Bank	Working Capital Support	20.00	11.41	17	0.71	32 Monthly instalments	Personal gurantee of promoters
6	Pushpa Aggarwal	Working Capital Support	10.00	4.50	8		On Demand	Nil
7	Wool Spun Limited	Working Capital Support	20.00	15.56	8		On Demand	Nil
8	Promoter Directors	Working Capital Support	56.94	9.39	Nil		On Demand	Nil
9	Oriental Buildmat Exports Private Limited	Working Capital Support	49.70	-	Nil		On Demand	Nil
10	Oriental Tiles Limited	Working Capital Support	47.15	47.15	Nil		On Demand	Nil

ANNEXURE VII**AGE WISE ANALYSIS OF SUNDRY DEBTORS**

The following is the break up of outstanding Sundry Debtors in the last five years.

(Rupees in Lakhs)

Age wise break up	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	As at December 15,2006
Less than six months						
From Promoters/Group Companies/ Directors/Relatives of Directors						
- Oriental Tiles Limited	-	76.85	68.15	184.93	57.45	-
- Oriental (Buildmat) Exports Pvt Ltd		-	-	-	-	-
- Oriental Marbles	87.07	-	-	-	-	-
- Colombo Stone Industries Pvt Ltd	-	-	2.24	-	-	-
- Deepali International	0.55	-	-	-	-	-
From Others	422.07	206.32	486.74	235.05	729.84	1,020.50
	509.69	283.17	557.13	419.98	787.29	1,020.50
More than six months						
From Promoters/Group Companies/ Directors/Relatives of Directors						
- Oriental Tiles Limited	-	-	57.12	-	50.48	-
- Oriental (Buildmat) Exports Pvt Ltd	-	-	-	-	-	-
- Oriental Marbles	-	62.63	24.40	42.31	-	-
- Colombo Stone Industries Pvt Ltd	2.58	-	2.35	-	-	-
- Deepali International	12.08	-	-	-	-	-
From Others	9.26	130.96	40.42	145.68	223.56	643.43
	23.92	193.59	124.29	187.99	274.04	643.43
Total	533.61	476.76	681.42	607.97	1,061.33	1,663.93

DETAILS OF LOANS AND ADVANCES**ANNEXURE VIII**

(Rupees in Lakhs)

S.No. Name of Party	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	As at December 15,2006
a) Related Parties	-	-	-	-	-	-
b) Others (- Advance for purchase of plot)	6.60	10.50	10.50	8.40	8.40	8.40
	6.60	10.50	10.50	8.40	8.40	8.40

CAPITALISATION STATEMENT**ANNEXURE IX**

(Rupees in Lakhs)

	Pre issue as at 31.03.2006	Pre issue as at December 15,2006	Adjusted for the public issue
Borrowing			
Short term debt	779.86	1,166.50	[*]
Long term debt	318.89	300.37	[*]
Total debt	1,098.75	1466.87	[*]
Shareholders' funds			
Share Capital			
- Equity	433.33	550.33	[*]
- Less: Calls in arrears	-	-	[*]
- Preference	-	-	
- Share Premium	-	-	[*]
Reserves & Surplus	263.02	539.79	[*]
Less: Miscellaneous expenditure not written off	20.77	85.61	[*]
Total Shareholders' funds	675.58	1,004.52	[*]
Long term debt/equity ratio	0.47	0.30	[*]

[*] The post issue capitalisation cannot be determined till the completion of the book building process.

ANNEXURE X**TAX SHELTER STATEMENT**

(Rupees in Lakhs)

	Year ended 31st March					For period ended December 15, 2006
	2002	2003	2004	2005	2006	
Tax at Notional Rate	16.98	25.60	31.65	35.95	139.14	141.31
Adjustments:						
Export Profits	0.20	-	-	-	-	-
Difference between Tax Depreciation and Book Depreciation	23.18	38.98	26.29	33.12	10.30	7.79
Other adjustments	(0.02)	(0.06)	(0.03)	(10.32)	(6.15)	-
Net Adjustments	23.36	38.92	26.26	22.80	4.15	7.79
Tax saving thereon	8.34	14.30	9.42	8.34	1.40	2.62
Total Taxation	8.64	11.30	22.23	27.61	137.75	138.68
Tax on extraordinary items	-	-	-	-	-	-
Tax on profits before extraordinary items	8.64	11.30	22.23	27.61	137.75	138.68
Tax rate	35.70%	36.75%	35.88%	36.59%	33.66%	33.66%
Tax at actual rate of profit	16.98	25.60	31.65	35.95	139.14	141.31
Adjustments						
Permanent Differences						
(i) Disallowances under the I. Tax Act	(0.02)	(0.06)	(0.03)	(0.68)	(0.22)	-
(ii) Export profit deduction Timing Differences	0.20	-	-	-	-	-
(i) Depreciation	23.18	38.98	26.29	33.12	10.30	7.79
(ii) Disallowances u/s 43B/40(a)(ia)	-	-	-	(9.64)	5.79	-
(iii) Provision for gratuity/doubtful debt	-	-	-	-	(11.72)	-
Net Adjustments	23.36	38.92	26.26	22.80	4.15	7.79
Tax saving thereon	8.34	14.30	9.42	8.34	1.40	2.62
Total Taxation	8.64	11.30	22.23	27.61	137.75	138.68

ANNEXURE XI**STATEMENT OF QUOTED INVESTMENTS**

	Year ended 31st March					For period ended December 15, 2006
	2002	2003	2004	2005	2006	
Detail of Investments	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Book Value	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate Market Value/ Quoted value	Nil	Nil	Nil	Nil	Nil	Nil
Diminution in value	Nil	Nil	Nil	Nil	Nil	Nil

MANDATORY ACCOUNTING RATIOS**ANNEXURE XII**

(Rupees in Lakhs)

	Year ended 31st March					For period ended December 15, 2006
	2002	2003	2004	2005	2006	
Basis Of Accounting Ratios						
Net Profit After Tax Before Extraordinary Item (1)	38.56	44.34	55.30	57.54	276.25	276.87
No. Of Equity Shares (In Lakhs) (2)	16.51	17.01	17.02	19.52	43.33	55.03
Net Worth (3)	235.57	275.67	309.90	415.22	675.58	1,004.52
Accounting Ratios:						
Earning Per Share (On Face Value Rs. 10/- Per Equity Share) (Rs.)	2.34	2.61	3.25	2.95	6.38	7.10
Return On Net Worth (%) (1 / 3)	16.37%	16.08%	17.84%	13.86%	40.89%	27.56%
Net Asset Value Per Share (On Face Value Rs. 10/- Per Equity Share) (Rs)	14.27	16.20	18.21	21.27	15.59	18.25

Basis of Accounting Ratios:

* Earning per share= Profit after Tax/Total No. of fully paid up Equity Shares (For the period upto 15-12-2006, the earning per share ratio is on annualized basis)

** Return on Networth=Profit after Tax/Total Net-worth (Networth=Fully paid up share capital+Free Reserves-Miscellaneous Expenditures)

***Net Asset Value per Share=Total Net-worth/No. of fully paid up Equity Share Shares

ANNEXURE XIII**STATEMENT OF DIVIDEND PAID**

(Rupees in Lakhs)

	Year ended 31st March					For period ended December 15, 2006
	2002	2003	2004	2005	2006	
Dividend (Interim and final)	-	-	17.02	6.81	26.00	0.00
Dividend (%)	0.00%	0.00%	10.00%	3.48%	10.00%	0.00

ANNEXURE XIV**RELATED PARTY TRANSACTIONS**

As Per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

Associated Companies	Associated Concern	Companies/Concerns Managed by the relative of Managing Director	Director & Their Relatives
Oriental Tiles Limited	M/S Deepali International (Now converted to Deepali Granites Private Limited)	Oriental Air & Ship Services Limited	Mr.Rajesh Punia, Managing Director
Oriental Buildmat Exports Private Limited		M/S Oriental Impex	Mrs.Savita Punia, Whole Time Director
Colombo Stone Industries Private Limited		M/S Oriental Marbles	Mr.Sunil Kumar, None Executive Director

(Rupees in Lakhs)

As Per Accounting Standard (AS-18) on related party disclosures issued by ICAI, the disclosures of transactions with the related parties are as follows:

Sl.	Name of party	Relationship	Nature of transaction during	Volume of transaction on the year 2006-07	Amount out stand as during 15/12/06	Volume of transaction on the year 2005-06	Amount out stand as during 31/03/06	Volume of transaction on the year 2004-04	Amount out stand as during 31/03/05	Volume of transaction on the year 2003-04	Amount out stand as during 31/03/04	Volume of transaction on the year 2002-03	Amount out stand as during 31/03/03	Volume of transaction on the year 2001-02	Amount out stand as 31/03/02	
a)	Oriental Tiles Limited	Associate Company	Sales of Goods	54.88	0.00	151.62	(107.93)	211.07	(184.93)	145.45	(125.28)	225.31	(76.85)	82.56	0.00	
			Purch-of Goods	177.59	17.01	259.37		242.84		128.34		119.85		191.74		
			Loans taken	43.00	47.15	4.15	4.15	-	-	-	-	-	-	-	-	-
			Com-mission	00	00	1.26		1.53		1.47		0.21		0.74		
b)	Oriental Buildmat private limited	Associate Company	Sales of Goods	00	00	0.00		0.00		28.74		0.00		0.00		
			Purch-of Goods	00	00	9.47	0.00	24.23	35.62	0.00	64.60	86.46	27.99	75.65	0.00	
			Loans Repaid	00	00	0.00		30.62		6.17		5.00		41.88		
			Loans taken	49.70	00	14.08	49.70	1.64	0.00	4.00	0.00	0.00	66.77	81.78	71.77	
c)	Colombo stone industries private limited	Associate Company	Sales of Goods	00	00	7.44		0.00		4.38		0.00		0.00	(2.58)	
			Purchase of Goods	337.55	341.86	154.23	244.63	121.50	356.52	532.97	514.76	82.35	254.14	474.17	343.93	
			Loans Repaid	00	00	148.03		0.00		5.33		0.00		0.00		
			Loans taken	00	00	-	-	-	148.03	-	148.03	153.46	153.46			
d)	Oriental Air & ship services limited	Managed by relative of managing director	Purchase of services	1.95	00.00	5.99		1.27	(0.93)	1.29		0.27		0.31		
e)	M/S oriented impex	Managed by relative of managing director	Sales of goods	19.11	00	29.68										
f)	M/S oriented marble	Managed by relative of managing director	Sales of goods	00	00	-	-	5.42	(42.31)	-	(24.40)	10.53	(62.63)	142.16	(87.07)	
			purchase of goods	00	00	41.77	-	-	-	15.24	-	-	-	-	3.01	-
g)	M/S Deepali International	Associated concern	Sales of goods	00	00	-	-	-	-	-	-	-	-	-	(12.63)	

h) Mrs. Savitapunia	Whole time director	Sales of goods	0.00	00.00	-	-	-	-	1.77	-	-	-	-	-	
		Remuneration	8.12	1.48	2.25	1.34	3.00	1.16	2.70		2.22		1.50		
		Security deposite	00	18.00	18.00	-	-	-	-	-	-	-	-	-	-
		Rent	3.81	1.69	2.40		1.20		1.20		1.20		-		
		Loans taken	19.94	7.54	14.78	25.14	10.00	9.42							
i) Mr. Rajesh Punia	Managing director	Remuneration	17.00	1.78	9.86	8.29	3.07	1.98	3.00		3.00		1.98	3.30	
		Car hire charges	00	00									1.80		
		Loans taken	4.25	1.85	32.92	33.45									
j) Mr. Sunil kumar	Director	Remuneration	00.00	00.00	1.80		1.08		1.08		1.08		0.96		

ANNEXURE XV**STATEMENT OF SECURED LOANS**

(Rupees in Lakhs)

Year ended 31st March	2002	2003	2004	2005	2006	For period ended December 15, 2006
Term Loans						
From UPFC (Secured by first charge on land, building, plant & machinery and other fixed assets)	112.92	146.63	122.45	-	-	-
From Orissa State Financial Corpn. (Secured by hypothecation of tangible assets situated at Industrial Estate, Rairangpur, Orissa)	-	7.60	5.71	1.98	-	-
From Jammu and Kashmir Bank *	-	-	-	103.33	72.87	55.40
From HDFC Bank (Secured by hypothecation of related equipment)	-	-	-	32.96	21.59	13.44
From ICICI Bank (Secured by hypothecation of related equipment)	-	-	-	3.60	2.31	3.19
Vehicle Loans (Secured by hypothecation of vehicles)						
From Banks	3.73	10.87	9.27	4.08	24.72	20.68
Demand Loan						
From Life Insururce Corporation of India (Secured against Insurance Policy)	-	-	-	-	-	16.42
Working Capital Loan						
From The Jammu & Kashmir Bank **	191.84	290.19	275.89	439.55	779.86	1,166.50
	308.49	455.29	413.32	585.50	901.35	1,275.63

*Term Loan (J & K Bank) secured by exclusive first charge on all the fixed assets, including equitable mortgage of land and building of company's factory at Greater Noida, Equitable mortgage of company's factory land at Balasore (Orissa), Equitable mortgage of company's factory land at Rairangpur (Orissa), Equitable mortgage of company's land at Kolkata, and Hypothecation of existing and future plant & machinery at all the units.

**Working Capital Loan secured by hypothecation of all kinds of stocks of raw materials, stock-in-process and finished goods, assignment of book debts, title of goods covered under letter of credit against FLC and additionally secured by personal guarantee of promoter directors of the Company

ANNEXURE XVI

(Amount Rs.in Lakhs)

Statement of Secured Loans

Sl.No.	Name of lender	Nature of loan	Sanctioned amount	Amount outstanding as on 15,2006	Rate of interest (%)	EMI	Repayment terms	Securities
1	HDFC Bank	Mining equipment loan	36.26	12.48	7.23	1.00	42 monthly instalments	Mortgage of Mining Equipment Purchased
2	HDFC Bank	Mining equipment loan	4.40	00.96	7.28	0.14	35 monthly instalments	Mortgage of Mining Equipment Purchased
3	ICICI Bank	DG Set Loan for use in Quarries	4.09	1.21	13.55	0.14	35 Monthly instalments	Mortgage of DG Purchased
4	Jammu & Kashmir Bank Limited	Purchase of Plant & Machinery	115.70	55.40	11.50	7.50	15 Quarterly Statements	First charge on block of assets of the Company at Greater Noida.

Note: Repayment of Term Loan to Jammu & Kashmir Bank Ltd is on quarterly basis.

Statement of Working Capital Loans

Sl.No.	Name of lender	Nature of loan	Sanctioned amount	Amount outstanding as on December 15,2006	Rate of interest	Repayment terms	Securities
1	Jammu & Kashmir bank Limited	Cash Credit (working Capital Loan)	Regular Limit of Rs.1185 lakhs	1,166.50	13.50	On Demand	1. Hypothecation of Stocks 2. First charge on block of assets of the Company.

Statement of Secured Hire Purchase Arrangements

(Rupees in Lakhs)

Sl.No.	Name of lender	Nature of loan	Sanctioned amount	Amount outstanding as on 15,2006	Rate of interest (%)	EMI	Repayment terms	Securities
1	ICICI Bank	Vehicle Loan	3.15	2.35	10.57	0.07	60 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
2	ICICI Bank	Vehicle Loan	2.66	1.85	13.47	0.09	36 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
3	ICICI Bank	Vehicle Loan	1.22	00.86	12.00	0.05	60 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
4	ICICI Bank	Vehicle Loan	1.80	1.28	11.92	0.07	31 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
5	ICICI Bank	Vehicle Loan	4.38	3.62	8.19	0.09	60 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
6	HDFC Bank	Vehicle Loan	11.6	9.32	8.5	0.24	60 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained
7	HDFC Bank	Vehicle Loan	1.92	1.41	10.38	0.04	60 monthly instalments	Secured by hypothecation of specified vehicles against which finance is obtained

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars (For the period ended) – Audited	31.03.02	31.03.03	31.03.04	31.03.05	31.03.06	December 15,2006
Net Profit before tax and extraordinary items	47.56	69.66	88.23	98.25	413.38	419.80
Adjustments for :						
a) Depreciation	1.57	10.91	14.05	17.21	20.20	16.49
b) Loss on sale of fixed assets	-	-	-	-	0.11	00.00
c) Pre-operational expenses written off	0.06	0.06	0.06	0.06	0.06	00.00
d) Provision for Gratuity	1.04	0.45	1.10	1.52	1.42	1.06
e) Provision for Doubtful Debts	-	-	-	-	6.20	00.00
f) Interest Income	(0.90)	(1.14)	(1.52)	(2.12)	(2.62)	(31.72)
g) Exchange Gain	-	(3.53)	(13.34)	(15.29)	(12.48)	00.00
h) Exchange Loss	29.36	-	-	-	-	6.54
i) Interest Expense	29.23	70.04	73.57	87.82	117.62	120.52
Operating Profit before Working	60.36	76.80	73.92	89.20	130.52	112.89
Capital Change Adjustments for :	107.92	146.46	162.15	187.45	543.90	532.69
a) Trade & Other Receivables	(322.88)	55.45	(211.80)	91.04	(525.58)	(711.01)
b) Inventories	1.54	(182.77)	38.27	(76.44)	(249.02)	(407.59)
c) Trade Payables and Other Liabilities	202.44	(118.14)	180.92	(227.67)	299.06	377.82
	(118.90)	(245.46)	7.39	(213.07)	(475.54)	740.78
Cash generated from Operations	(10.98)	(99.00)	169.54	(25.62)	68.36	(208.08)
Net Prior year adjustments	-	-	-	-	-	-
Taxes Paid	(8.10)	(12.55)	(22.91)	(17.69)	(58.76)	(121.58)
Net Cash used in Operating Activities	(19.08)	(111.55)	146.63	(43.31)	9.59	(329.66)
B) Cash Flow from Investing Activities :						
a) Purchase of Fixed Assets	(178.49)	(89.90)	(37.37)	(91.60)	(47.09)	(33.97)
b) Sale of Fixed Assets	1.08	-	-	-	1.55	-
c) Interest Received	0.90	1.14	1.52	2.12	2.62	31.72
Net Cash used in Investing Activities	(176.51)	(88.76)	(35.85)	(89.48)	(42.92)	(2.25)

C) Cash flow from Financing Activities :						
a) Interest Paid	(29.23)	(70.04)	(73.57)	(87.82)	(117.62)	(120.52)
b) Dividend Paid	-	-	(17.02)	-	(32.81)	-
c) Exchange Gain	-	3.53	13.34	15.29	12.48	-
d) Exchange Loss	(29.36)	-	-	-	-	(6.54)
e) Proceeds from Long Term Borrowings (Net)	138.80	196.86	(14.52)	(15.31)	(82.60)	(18.52)
f) Proceeds from Short Term Loans (Net)	51.47	98.35	(14.30)	163.66	340.31	386.64
g) Proceeds from issue of equity shares	70.02	5.00	0.10	25.00	35.03	117.00
h) Proceeds from share application money	-	-	-	29.75	-	-
i) Preliminary Expenses	(0.13)	-	-	-	(20.50)	(64.84)
Net Cash generated from Investing Activities	201.57	233.70	(105.97)	130.57	134.28	293.22
Net increase in Cash & Cash						
Equivalents (A+B+C)	5.98	33.38	4.81	(2.22)	100.95	(38.69)
Opening balance of Cash and Cash equivalent	1.04	7.02	40.40	45.21	42.99	143.94
Closing balance of Cash and Cash Equivalent	7.02	40.40	45.21	42.99	143.94	105.26

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

The investors should read the following discussion of the financial conditions and results of operations together with the audited financial statements of the Company, each for the period ended December 15, 2006 March 31, 2006, March 31,2005, March 31,2004, March 31, 2003 and March 31, 2002 including the notes thereto and the reports thereon, which appear in the section titled "Financial Information of the Company" beginning on the page no. 83 of this Red Herring Prospectus.

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated, as described in the report of Statutory Auditor of the Company viz. M/s Mehra Wadhwa & Co., Chartered Accountants, New Delhi dated December 26,2006 in the section titled "Financial Information of the Company" on page no. 83 of this Red Herring Prospectus.

The fiscal year of the Company ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended 31st day of that year.

Overview of the business

Oriental Trimex Limited is engaged in the business of cutting, polishing and processing of imported and indigenous marble, trading of decorative stone including granite and processing thereof. The Company's existing marble processing plant is situated at Greater Noida, Uttar Pradesh.

Oriental Trimex Limited, promoted by Mr. Rajesh Punia and Ms. Savita Punia, was incorporated as Private Limited Company in 1996 and has been engaged in the business of trading of building material, decorative stones including marble and granite since its incorporation. Later in 2001, the Company commissioned marble processing unit at Greater Noida with a licensed and installed capacity of 12,600 MT per annum whereby the Company initiated the process of processing of imported as well as indigenous rough marble blocks/semi processed marble slabs into slabs/tiles. The Company further acquired small granite processing unit at Rairangpur, Orissa with a capacity of 650 MT. Presently, the Company is sourcing its raw material requirements through imports and indigenous sources. The Company is importing rough marble blocks for meeting its raw material requirement from Middle East, South East Asian Countries, Greece, Egypt, Spain, Turkey and Italy and sells its after processing in the domestic market to institutional as well as retail customers either directly or through wholesalers. The Company also imports semi processed marble slabs from these countries including Sri Lanka apart from sourcing marble slabs and blocks indigenously.

In the year 2004, the Company secured mining lease at Village Jangia-Badadalmia, Tehsil-Bahalda, Rairangpura, District Baripada, Orissa over 6.90 acres under Orissa Minor Minerals Concession Rules 2004 for a period of 10 years. Further, in the year 2006, another mining lease at Village Palli, Chikiti Tehsil, Ganjam District, Orissa over 38.14 acres was acquired under Orissa Minor Minerals Concession Rules 2004 for a period of 20 years.

The Company is marketing its products throughout India and has sales and marketing depot cum Offices at Delhi, Kolkata, Chennai and Balasore in Orissa.

The Company is ISO 9001-2000 certified Company since 2001 and has been awarded the certificate for import, stocking, processing and supply in domestic and overseas rough and finish marbles and granites and other natural stones by Norsk Akkreditering of Norway.

Factors affecting results of operations

- Change of policy of the Government regarding import of marble
- Competition from organized and un-organized sectors
- High transportation cost and escalation thereof
- Change in mining policies of the Government
- Foreign currency risk

ANALYSIS ON RESULTS OF OPERATIONS (Audited)

(Rupees in Lakhs)

	Year ended 31 st March					For the period April 1, 2006 to December 15, 2006
	2002	2003	2004	2005	2006	
INCOME						
Sales & Job Work of						
-Products manufactured by the Company	1,341.85	1,071.99	1,955.66	1,616.03	4,088.09	3773.74
-Products Traded by the Company	68.74	20.39	398.15	884.88	985.63	1040.04
-Other Income	12.24	9.11	18.99	20.47	18.87	31.72
Increase Decrease in Inventory	225.35	264.41	(112.68)	19.94	111.57	477.96
Total Income	1,648.18	1,365.90	2,260.12	2,541.32	5,204.16	5323.46
EXPENDITURE						
Raw material & goods consumed	1,475.68	1,055.95	1,835.96	2,017.75	4,104.56	4381.84
Staff Cost	18.57	29.13	60.71	78.63	130.16	107.14
Other manufacturing expenses	11.50	62.54	73.36	125.31	244.45	132.40
Admin, Selling & Distribution Costs	64.01	67.61	114.18	116.29	173.73	145.28
Interest	29.23	70.04	73.57	87.82	117.62	120.52
Depreciation	1.57	10.91	14.05	17.21	20.20	16.49
Miscellaneous Expenditure Written off	0.06	0.06	0.06	0.06	0.06	
Total Expenditure	1,600.62	1,296.24	2,171.89	2,443.07	4,790.78	4903.66
Net profit before tax and extraordinary items	47.56	69.66	88.23	98.25	413.38	419.80
Provision for taxation	9.00	25.32	32.93	40.71	137.14	142.93
Net profit after tax & before extraordinary items	38.56	44.34	55.30	57.54	276.25	276.87
Extraordinary items (net of tax)	-	-	-	-	-	-
Net Profit after extraordinary items	38.56	44.34	55.30	57.54	276.25	276.87
Earlier year adjustment	(0.48)	(0.40)	(2.02)	(0.22)	(0.83)	(0.10)
Appropriations						
- Transfer to General Reserve	3.00	10.00	10.00	10.00	40.00	-
- Proposed dividend	-	-	-	6.81	-	-
- Interim Dividend	-	-	17.02	-	26.00	-
- Dividend Tax	-	-	2.18	-	3.65	-
Balance carried to Balance Sheet	35.08	33.94	24.08	40.51	205.77	276.77

Comparison of period from April 1, 2006 to December 15, 2006 with financial year ended 2006

As per the audited financials of the Company as on December 15, 2006, the Company has earned total income of Rs. 5,323.26 lakhs against the total income of Rs. 5,204.16 lakhs during the financial year 2006. The job work proceeds have reduced from Rs. 65.78 lakhs in the fiscal year ended March 31, 2006 to Rs. 3.70 lakhs for the period ended December 15, 2006.

Raw Material and Cost of material consumed

The cost of material increased from R. 4,104.56 lakhs for the period ended March 31, 2006 to Rs. 4,381.84 as on December 15, 2006.

Other Manufacturing Cost

The other manufacturing cost has from Rs. 244.45 lakhs for the fiscal year ended March 31, 2006 to Rs. 132.40 lakhs during the period ended December 15, 2006.

Profit before Tax

The profit before tax increased from Rs. 413.88 lakhs during fiscal 2006 to Rs. 419.80 lakhs for the period ended December 15, 2006.

Comparison of financial year ended March 31, 2006 with financial year ended March 31, 2005

During the financial year 2005-06, total income of the Company increased to Rs. 5204.16 lakhs from Rs. 2541.32 lakhs, registering an increase of 104.78%. The job work for the year has been Rs. 65.59 lakhs during 2005-06 compared to Rs. 71.35 lakhs during 2004-05. Due to demand in the company's products in the institutional and corporate clients, the income from traded items increased from Rs. 884.88 lakhs during 2004-05 to Rs. 985.63 lakhs during financial year 2005-06. The other income decreased from Rs.20.47 lakhs in the financial year 2004-05 to Rs.18.87 lakhs in the financial year 2005-06. The

increase in the turnover of the Company during the financial year 2005-06 is mainly on account of increase in construction activities all over the country; increasing demand of the Company's products with the institutional, corporate buyers, upsurge in demand of marble products in the retail market which is being catered through the wholesalers and retailers. Further, the import policy for import of rough marble blocks/slabs was modified on August 31, 2005, and according to the revised policy, the licenses for import of marble would only be given to only those units who have set up manufacturing / processing units and have made imports of these items in the preceding years when these items were in SIL list.

Raw Material & goods consumed

With increased turnover of the Company, the raw material consumption also increased by 103.42% i.e. Rs. 2017.75 lakhs during fiscal 2005 to Rs. 4104.56 lakhs during fiscal 2006. The increase in the consumption of raw material is in line with the increase in turnover of the Company.

Manufacturing Expenses

The manufacturing expenses have increased from Rs. 125.31 lakhs in Financial Year 2005 to Rs. 244.45 Lakhs in the financial year 2006, thus recording an increase of 95.08%. The increase in manufacturing expenses is on account of the increased operations of the Company since there had been proportional increase in the variable expenses with increase in operations and turnover of the Company.

Employee Cost

During the F.Y. 2005-2006, the Company recruited experienced professionals in financial, legal, corporate matters, marketing, technical & mining activities. The induction of professionals in the various divisions of the Company and annual hike in the salary/wages of existing manpower of the Company resulted in higher employee cost and as a result it increased by 65.53% i.e., from Rs.78.63 lakhs during the Financial Year 2004-05 to Rs.130.16 lakhs during the Financial Year 2005-06.

Administrative Expenses

The administrative expenses increased from Rs. 89.33 lakhs in the year 2004-05 to Rs. 119.14 lakhs in the Financial Year 2005-06 registering an increase of 33%. The increase in administrative expenses of the Company has been on account of increase in vehicle running and maintenance expenses, insurance premium, fee and subscription, repair and maintenance, printing and stationery and provision of doubtful debts of the Company.

Selling Expenses

Selling expenses increased from Rs.26.96 lakhs in the year 2004-05 to Rs. 59.59 lakhs in the financial year 2005-06 registering an increase of 121% which is in line with increase in turnover of the Company. Due to increase in turnover and operations of the Company, the transportation expenses rose from Rs.11.40 lakhs in the fiscal year 2004-2005 to Rs.42.47 lakhs in the fiscal year 2005-2006 which recorded an increase of 275%. The levy of central excise duty on the finished goods of the Company w.e.f. 1st March 2006 resulted in payment of central excise duty of Rs.2.68 lakhs, thus increasing the selling costs during the fiscal year ended March 31, 2006.

Depreciation

Depreciation increased by 16.29% i.e., from Rs 17.37 lakhs in 2004-2005 to Rs. 20.20 Lakhs in the year 2005-2006. The increase in depreciation is due to addition of fixed assets to the tune of Rs.47.07 lakhs purchased by the Company during the fiscal year 2005-2006.

Interest

The finance cost raised from Rs. 87.82 lakhs in the financial year 2004-05 to Rs. 117.62 lakhs in the financial year 2005-06. The increase in the finance cost by 34% had been mainly due to the enhancement in the working capital limits of the Company which increased from Rs.815 lakhs to 1200 lakhs during the financial year 2005-06.

Profit before tax

During 2005-06, the Company registered an increase in profit before tax to the extent of 321% i.e. from Rs. 98.25 lakhs during 2004-05 to Rs. 413.38 lakhs during 2005-06. This increase was on account of increase in total income of the Company and increased sales to institutional clients where the Company achieved higher margins.

Sundry Liabilities

With growth of total income of the Company by around 104%, the material consumption, purchases and stocks level have also increased in the same proportion and accordingly the creditors for goods and consumables increased by Rs.29.90 lakhs i.e., from Rs.347.10 lakhs in the year 2004-05 to Rs. 646.17 lakhs during 2005-06 thus registering a growth of 86% which is in line with the increase in material consumption by 1034% and inventory levels by 43% as on March 31, 2006.

Sundry Debtors

The debtors level increased by 75% i.e., Rs. 607.97 lakhs during 2004-05 to Rs. 1061.33 lakhs during 2005-06, registering an increase of Rs. 453.37 lakhs. The increase in debtors is in line with the increase in turnover and total income of the Company which increased by 104%. Moreover, with increased sales to institutional and corporate sector, the collection period of debtors have marginally increased comparing to the previous years when the emphasis was on sales to dealers and retailers.

Comparison of financial year ended March 31, 2005 with financial year ended March 31, 2004

Sales

The total income of the Company increased to Rs.2541.32 lakhs during F.Y. 2004-05 from Rs. 2260.12 lakhs during F.Y. 2003-04,

registering an increase of 12.44%. The amount of turnover includes job work of Rs.71.35 lakhs during F.Y. 2004-05 in comparison to Rs.35.79 lakhs during 2003-04. The trade items during the year ended March 31, 2005 was Rs.884.88 lakhs comparing to Rs.398.15 lakhs for the year ended March 31, 2004. The other income increased from Rs.18.99 lakhs in the financial year 2003-04 to Rs.20.47 lakhs in the financial year 2004-05.

Raw Material & Goods Consumed

With marginal increase in the total income of the Company during the year, the raw materials consumption increased by only 9.90% i.e., Rs.1835.96 lakhs in the FY 2004 to Rs.2017.75 lakhs in the FY 2005. The increase in the consumption of raw material is in line with the increase in turnover of the Company.

Manufacturing Expenses

The manufacturing expenses increased considerably i.e., from Rs. 73.36 Lakhs in financial year 2004 to Rs. 125.31 Lakhs in the financial year 2005. The increase in the manufacturing expenses was due to substantial increase in the cost of fuel, consumables, power, repair & maintenance of building, plant & machinery and increase in the other manufacturing expenses.

Employee Cost

Employee cost which increased from Rs.60.71 lakhs during 2003-04 to Rs.78.63 lakhs during 2004-05 registering an increase of 29.52%. The increase in employees cost had been due to joining of additional manpower of the Company and annual increase in salary and wages of the existing manpower of the Company and general inflationary trends.

Administrative Expenses

The Administrative expenses increased from Rs. 81.87 lakhs in the year 2003-04 to Rs.89.33 lakhs in the financial year 2004-05 and this increase of 9.11% had been in line with the increase in the operations and turnover of the Company and general inflationary trend.

Selling Expenses

The Selling Expenses decreased from Rs.32.31 lakhs in the year 2003-04 to Rs. 26.96 lakhs in the Financial Year 2004-05. This decrease of 16.55% in the selling expenses had been due to the cost cutting measures adopted by the Company on transportation and handling charges.

Depreciation

Depreciation increased by 21.43% from Rs 14.05 lakhs in 2003-04 to Rs. 17.21 Lakhs in 2004-2005 due to additions of plant and machinery, building and other office equipments.

Interest

The Interest cost increased from Rs.73.57 lakhs in the financial year 2003-04 to Rs. 87.82 lakhs in the financial year 2004-05 due to increase in the working capital limits of the Company from Rs.435 lakhs to Rs.815 lakhs during August 2004. Moreover, the Company financed certain mining equipments which were financed through HDFC and ICICI Bank during July 2004, which also resulted in increase of finance cost.

Comparison of financial year ended March 31, 2004 with financial year ended March 31, 2003

Sales

The total income of the Company increased to Rs. 2260.12 lakhs during the financial year 2004 from Rs.1365.90 lakhs in financial year 2003, registering an increase of 65%. The amount of turnover includes job work of Rs.35.79 lakhs during F.Y. 2003-04 in comparison to Rs. 45.26 lakhs during 2002-03. The traded items during the year ended March 31, 2004 were Rs.398.15 lakhs comparing to Rs.20.39 lakhs for the year ended March 31, 2003. The other income increased from Rs. 9.11 lakhs in the financial year 2002-03 to Rs.18.99 lakhs in the financial year 2003-04. The increase in turnover and total income of the Company was on account of better marketing methods adopted by the Company and increasing demand of Company's products.

Raw Material & Goods Consumed

With an increase in turnover of the Company, the raw materials consumption also increased by 73.87% i.e., Rs.1835.96 lakhs in the FY 2004 from Rs. 1055.95 lakhs in the FY 2003. The increase in the consumption of raw material and goods consumed is in line with the increase in turnover of the Company.

Manufacturing Expenses

The manufacturing expenses increased from Rs. 62.54 Lakhs in financial year 2003 to Rs. 73.36 Lakhs in the financial year 2004. The increase of manufacturing expenses by 17.30% has been in line with increased operations and turnover of the Company.

Employee Cost

During the financial year, employee cost which increased from Rs.29.13 lakhs during the FY 2003 to Rs.60.71 lakhs during the financial year 2004. The increase of staff cost by 108% was on account of salary increase, general inflationary trend and additional manpower employed in the works and marketing department of the Company.

Administrative Expenses

The Administrative expenses increased from Rs.45.09 lakhs in the year 2002-03 to Rs.81.87 lakhs in the Financial Year 2003-04. The increase in the administrative expenses had been on account of increased in insurance, traveling, repair & maintenance.

nance of building, legal & professional charges and communication expenses.

Selling Expenses

Selling expenses increased from Rs. 22.52 lakhs in the year 2002-03 to Rs.32.31 lakhs in the Financial Year 2003-04. The increase of selling expenses by 43.47% had been on account of increase in the exhibition expenses, rebates and discounts to the customers, additional indirect tax demand, transportation expenses and ISO registration expenses.

Depreciation

Depreciation increased by 29% from Rs 10.91 lakhs in financial year-2003 to Rs. 14.05 Lakhs in 2004. The increase in the depreciation was on account of the additions in the fixed assets block by Rs.37.37 lakhs during the year 2003-2004.

Interest

The finance cost increased from Rs.70.04 lakhs in the financial year 2003 to Rs. 73.57 lakhs in the financial year 2004. The marginal increase of 5% in the finance cost during the fiscal year 2003-2004 was on account of additional term loan of Rs.150 lakhs and Rs.12.60 availed by the Company from Uttar Pradesh Financial Corporation and Orissa State Financial Corporation respectively.

INFORMATION REQUIRED AS PER CLAUSE 6.10.5.5. OF THE SEBI (DIP) GUIDELINES

Unusual or infrequent events or transactions

To the best of Company's knowledge and as described in "Management Discussion and Analysis of Financial Condition and Results of Operations", there are no unusual or infrequent events or transactions that have significantly affected the business of the Company.

Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except as described in the section titled "Risk Factors" on page no. iii and in "Management Discussion and Analysis of Financial Condition and Results of Operations" in this Red Herring Prospectus.

Future changes in relationship between costs and revenues

The Company continuously working to create efficient processes resulting in cost reduction. Other than as described in this Red Herring Prospectus, to the best of Company's knowledge, there are no known factors which will affect the future relationship between cost and revenue, which will have a material impact on the operations and finances of the Company.

Increases in net sales or revenue and introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

Total turnover of each major industry segment in which the Company operated

The Company operates in only one Industry Segments i.e. Marble & Granite.

Status of any publicly announced New Products or Business Segment

The Company has not announced any new products or business segment and is inclined to focus and expand on its existing line of operations only.

Seasonality of Business

The business of the Company is not seasonal.

Dependence on a single or few suppliers or customers

The customer and supplier base is well spread in the business activities carried on by the Company and the same is likely to further expand with increase in the capacities of the Company. There is no dependency on any single supplier or buyer as on date.

Competitive conditions

For details of competitive conditions please refer to section titled 'Existing Business' on page no. 52 of this Red Herring Prospectus.

Significant Developments since the last audited balance sheet date:

There have been no events or circumstances or material development since the date of the last financial statements, which materially and adversely affect or are likely to affect the trading or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months.

SECTION VI - LEGAL AND OTHER INFORMATION

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions or tax liabilities against the Company, its directors, Promoters or companies promoted by its promoters that would have a material impact on the business of the Company and there are no defaults, non payment of statutory dues, institutional/bank dues and dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares that would have a material adverse effect on the business other than unclaimed liabilities by the Company or its directors, its Promoters or companies promoted by its promoters. Further, the directors, promoters or companies promoted by the promoters have not been declared as willful defaulter by Reserve Bank of India, and also have not been debarred from dealing in securities and/or accessing the capital markets by SEBI and no disciplinary action has been taken against them by SEBI or any stock exchanges.

OUTSTANDING LITIGATIONS INVOLVING THE COMPANY

A. FILED AGAINST COMPANY

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount (Rs. In lakhs)
1.	Civil Writ Petition No.12191 of 2005	Narayan Granites vs. State of Orissa and Oriental Trimex Limited	<p>The Petitioner has filed the petition challenging the action of the Government of Orissa for allotting the mining quarry in Behrampur, Orissa to OTL, without considering the case of the Petitioner who is legally entitled for the same.</p> <p>The Petitioner had applied for grant of prospective licence to an extent of 15.4443 hectares for quarry lease in the village-Palli, under Chikiti Tahsil, in the district of Ganjam, Behrampur.</p> <p>The High Court passed an order dated September 28, 2005 allowing the lease to be executed but staying the operation till the next date.</p>	<p>The High Court vide its order dated May 1, 2006 has vacated the order granting stay on the mining operations issued on September 28, 2005.</p> <p>The Court has completed the proceedings on October 26,2006 and the matter is now pending for pronouncement of order in writing is expected shortly</p>	Not Ascertainable

B. FILED BY THE COMPANY

I. Litigations involving Civil Offence

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount (Rs. In lakhs)
1.	Civil Suit No. No. 184/2003	Oriental Trimex Limited vs. Container Corporation of India Limited	<p>The Company filed a suit against Container Corporation of India Limited in the court of District and Sessions Judge, Tis Hazari, Delhi for recovering an amount of Rs. 3.11 lakhs</p> <p>The Company imported certain quantity of marble blocks from Singapore. After the clearance of the material it was booked from Cossipore, Kolkata to the domestic container terminal, Okhla with final destination at the Plaintiff's factory at Greater Noida, Uttar Pradesh. through the Container Corporation of India. The weight declared by the Plaintiff was also accepted by the Container Corporation of India.</p> <p>After the containers reached the domestic terminal at Okhla, the defendant issued two debit notes asking the plaintiff to pay Rs. 1.18 and Rs. 1.72 Lakhs respectively against six containers on false and frivolous grounds of containers being overweight for a difference more than 40%. The plaintiff paid the amounts, as it has to fulfill the commitment for supply of the said material to the local buyers.</p> <p>The plaintiff filed the suit for recovering a sum of Rs. 3,10,833 along with interest due from the defendant and further interest @ 18% p.a.</p>	The case is pending for evidence on February 2, 2007	Rs. 3.11 lakhs

II. Litigations involving Criminal Offence

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount
1.	Criminal Complaint No.2059/2005) u/s 138 of the Negotiable Instruments Act	Oriental Trimex Limited vs. Mangla Marbles and Granite Private Limited and its Directors Mr. Deepak Aggarwal and Yogesh Aggarwal	The accused issued cheque bearing No. 717566 dated June 25, 2005 for Rs. 25000 drawn on Centurion Bank, Connaught Place, New Delhi in favour of the complainant. against marble slabs supplied by the complainant. The cheque bounced on presentation to the Bank by Complainant	The complaint of the complainant is admitted and the accused have been directed to file replication by next date of hearing. The next date of hearing is June 4, 2007	Rs. 0.25 lakhs
2.	Criminal Complaint Case No. 2060/2005 u/s 138 of the Negotiable Instruments Act	Oriental Trimex Limited vs. Mangla Marbles and Granite Private Limited and its Directors Mr. Deepak Aggarwal and Yogesh Aggarwal	The Company filed the complaint u/s 138 of the Negotiable Instruments Act for recovery of Rs. 25,000 against bounced cheque No. 717567 dated July 25, 2005 in favour of the complainant against marble slabs supplied by the complainant. The cheque bounced on presentation to the Bank by Complainant	The complaint of the complainant is admitted and the accused have been directed to file replication by next date of hearing. The next date of hearing is June 4, 2007	Rs. 0.25 lakhs
3.	Criminal Complaint Case No. 2061/2005 / s 138 of the Negotiable Instruments Act	Oriental Trimex Limited vs. Mangla Marbles and Granite Private Limited and its Directors Mr. Deepak Aggarwal and Yogesh Aggarwal	The accused issued cheque bearing No. 717568 dated August 25, 2005 for Rs. 25000 drawn on Centurion Bank, Connaught Place, New Delhi in favour of the complainant against marble slabs supplied by the complainant. The cheque bounced on presentation to the Bank by Complainant.	The complaint of the complainant is admitted and the accused have been directed to file replication by next date of hearing The next date of hearing is June 4, 2007	Rs. 0.25 lakhs
4.	Criminal Complaint Case No. 2228/1 of 2005 u/s 138 of the Negotiable Instruments Act	Oriental Trimex Limited vs. Mangla Marbles and Granite Private Limited and its Directors Mr. Deepak Aggarwal and Yogesh Aggarwal	The accused issued cheque bearing No. 717569 dated September 25, 2005 for Rs. 25,000 drawn on Centurion Bank, Connaught Place, New Delhi in favour of the complainant against marble slabs supplied by the complainant. The cheque bounced on presentation to the Bank by Complainant.	The complaint of the complainant is admitted and the accused have been directed to file replication by next date of hearing The next date of hearing is January 29, 2007	Rs. 0.25 lakhs

III. Litigations involving Economic Legislations

	Type of Matter	Parties	Brief Description of the Matter	Status	Amount (Rs.)
1.	Customs-Writ petition no 1949 of 2005	Oriental Trimex limited and ors. vs. Union of India and Ors	<p>The Company has filed the writ petition in the Kolkata High Court for availing basic duty facility under SAPTA/ISFTA which is not being allowed by the Custom Authorities, Kolkata.</p> <p>The Government of India has entered into a free trade agreement with the Republic of Sri Lanka. Consequent to the entering of free trade agreement the Central Government issued a notification No. 26 dated March 1, 2000 under Section 25 of the Customs Act. Under the said notification the Petitioner is entitled to import marble slabs from Sri Lanka without payment of basic custom duty.</p> <p>However, the custom authorities, Kolkata directed the Petitioners to furnish bank guarantee of Rs. 49250 for the basic custom duty on the polished marbles slabs imported from Sri Lanka</p>	The case is pending for final decision. interim order was granted on october 5,2005 by directing the authorities to release the consignment under bills of entry number 249047 dated september 6,2005	Nil
2.	Customs-Writ petition no 1997 of 2005	Oriental Trimex limited and ors. vs. Union of India and Ors	<p>The Company has filed the writ petition in the Kolkata High Court for availing basic duty facility under SAPTA/ISFTA which is not being allowed by the Custom Authorities, Kolkata.</p> <p>The Government of India has entered into a free trade agreement with the Republic of Sri Lanka. Consequent to the entering of free trade agreement the Central Government issued a notification No. 26 dated March 1, 2000 under Section 25 of the Customs Act. Under the said notification the Petitioner is entitled to import marble slabs from Sri Lanka without payment of basic custom duty.</p>	The case is pending for hearing and would be taken up on its turn on regular list.	Nil

			However, the custom authorities, Kolkata directed the Petitioners to furnish bank guarantee of Rs. 47100 for the basic custom duty on the polished marbles slabs imported from Sri Lanka vide Bill of Entry No. 330/05-06 dated October 24, 2005.		
3	Customs-Writ petition No. 2259 of 2005	Oriental Trimex Limited and others Vs. Cheif Commissioner of Customs and others	<p>The Company has filed the writ petition in the Kolkata High Court against the issuance of notification No. 26 (Re-2005) dated September 2, 2005 by the Director General of Foreign Trade, which provided, inter-alia that free import of marble block or tiles would be permitted provided CIF value is US \$ 2700 per cubic meter, cannot be construed in a manner so as to override and/or supplant the Indo Sri Lanka free trade agreement.</p> <p>The petitioner further state that where the Indo Sri Lanka Free Trade Agreement and SAPTA notification do not provide any limitation with respect to valuation of the imported consignment, the Customs authorities cannot invoke the said notification dated August 31, 2005 and September 2, 2005 so as to disentitle the Petitioner the benefit of the exemption notification issued by the Government pursuant to the Free Trade Agreement with Sri Lanka.</p>	The case is pending for final decision. Interim order was granted on December 23, 2005 by directing the authorities of release the consignment under bills of entry number 263395	
4	Misc. Writ petition No. 761 of 2006	Oriental Trimex Limited Vs. State of U.P. and Others	<p>The Company has filed the Writ Petition in the Allahabad High Court challenging the validity of the action of Assessing Officer, U.P. Trade Tax on the principals of promissory estoppels.</p> <p>The petitioner has established a new unit within the meaning of Explanation -2 of Section 4-A of U.P. Trade Tax Act for manufacture of cutting, polishing and finishing of marbles at its unit situated at Surajpur Industrial Area, Greater Noida. The Petitioner has also been granted with Eligibility Certificate pursuant to exemption application filed by the Petitioner. The Eligibility Certificate provided exempted the Petitioner from payment of tax/reduction of rate of tax both under the provision of U.P. Trade Tax as well as in respect of the Central Sales Tax Act upto the monetary limits of exemption to the extent of 200% of the fixed capital investment.</p> <p>By the writ petition the Petitioner has challenged the validity of the action of</p>	The stay has been granted from payment of sales tax demand to the tune of Rs.73861. Case to be listed for further hearing.	

			the Respondents applying the Notification dated October 11, 2002 even though the Petitioner has established its unit in accordance with the earlier Notification dated August 24, 2000 for denying the benefits of adjustment of tax quantified and assessed in accordance with Sec 8 (1), 8 (2) d and 8 (3) of the Central Sales tax Act from the monetary limit mentioned in the eligibility certificate.		
5.	Misc. Writ petition No. 1806 of 2006	Oriental Trimex Vs/ State of U.P. and others	<p>The Company has filed the Writ Petition in the Allahabad High Court challenging the validity of the action of Assessing Officer, U.P. Trade Tax on the principals of promissory estoppels.</p> <p>The Petitioner has established a new unit within the meaning of Explanation 2 of Section 4-A of U.P. Trade Tax Act for manufacture of cutting, polishing and finishing of marbles at its unit situated at Surajpur Industrial Area, Greater Noida. The Petitioner has also been granted with Eligibility Certificate pursuant to exemption application filed by the Petitioner. The Eligibility Certificate provided exempted the Petitioner from payment of tax/ reduction of rate of tax both under the provision of U.P. Trade Tax as well as in respect of the Central Sales Tax Act upto the monetary limits of exemption to the extent of 200% of the fixed capital investment.</p> <p>By the writ petition the Petitioner has challenged the validity of the action of the Respondents applying the Notification dated October 11, 2002 even though the Petitioner has established its unit in accordance with the earlier Notification dated August 24, 2000 for denying the benefits of adjustment of tax quantified and assessed in accordance with Sec 8 (1), 8 (2) d and 8 (3) of the Central Sales tax Act from the monetary limit mentioned in the eligibility certificate.</p>	<p>A stay has been granted from payment of sales tax demand to the tune of Rs.9,17,317. Case to be listed for further hearing.</p> <p>The case has been connected with the earlier. petition No.761/2006 and would be listed together further hearing.</p>	

OUTSTANDING LITIGATION INVOLVING DIRECTORS AND PROMOTERS**I. Litigations involving Civil Legislations**

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount (Rs.)
1.	CivilCaseNo. 174/2004	Oriental Bank of Commerce Vs. Hope Importers and Mrs. Ruchi Bedi and Mr. Rajesh Punia	<p>The case is filed by the Plaintiff for recovery of Rs. 1,80,392.</p> <p>The Plaintiff bank has sanctioned three amounts of Rs. 1,50,000 (cash credit), Rs. 50,000(Term loan) and Rs. 60,000(Term loan) for various purposes to M/S Hope Importers, owned by Mrs.Ruchi Bedi, Proprietor.</p> <p>Mr. Rajesh Punia stood continuing guarantee in his personal and individual capacity for the due repayment of the above facilities taken by Smt. Ruchi Bedi, proprietor of Hope Importers on behalf of Hope Importer. The liability of Mr. Rajesh Punia was joint and several and co-extensive with that of Hope Importers and Smt. Ruchi Bedi</p> <p>The above loan accounts were irregular and the plaintiff bank gave several notices for payment of outstanding dues before filing case for recovery for the above stated amount.</p>	The next date of hearing of the case is March 21,2007	Rs.1.80 lakhs along with pending lite and future interest @11%

2. Litigations involving Criminal Legislations

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount (Rs.)
1.	Criminal Complaint F.I.R.No. 647/2006	State vs. Ram Kumar and Mr. Rajesh Punia	<p>The case has been filed in the court of District and Sessions Judge, Delhi.</p> <p>The case relates to death of a labourer while off loading marble slabs in the Company's godown at Delhi. The Company has paid a compensation of Rs. 55,000 to the wife of the deceased labour and she along with her son and nephew have filed their affidavit in the court that they do not wish to pursue the case against the director of the Company since the incident was a mis-happening.</p>	The case is pending for evidence and decision. The next date of hearing february 5,2007	

OUTSTANDING LITIGATION INVOLVING GROUP COMPANIES

Litigations involving Economic Legislations

S.No.	Type of Matter	Parties	Brief Description of the Matter	Status	Amount
1.	Customs-Writ Petition No. 374/2006	Oriental Tiles Limited vs. Commisioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter- veiling duty on marble slabs under section 3 of the Customs Tariff Act.</p> <p>The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commisioner of Customs in accordance with the Customs Tariff (Determination of Origin of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>The Petitioners imported certain polished marbles slabs from Sri Lanka. The Government of Sri Lanka issued a certificate of origin as required under SAPTA/ISFTA. For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a counter-veiling duty on the imports made by the Petitioner to the tune of Rs. 194744 under Bill of Entry bearing No. 272971 dated February 24, 2006.</p> <p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 50% PD Bond and 50% through BG.</p>	The Oponent has not filed any reply of the same resulting in time bar.	Rs.1.95 Lakhs
2.	Customs-Writ Petition No. 373/2006	Oriental Tiles Limited vs. Commisioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter- veiling duty on marble slabs under</p>	The Oponent has not filed any reply of the same resulting in	Rs.1.36 Lakhs

			<p>section 3 of the Customs Tariff Act. The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commissioner of Customs in accordance with the Customs Tariff (Determination of Origin of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a counter vailing duty on the imports made by the Petitioner to the tune of Rs. 136080 under Bill of Entry bearing No. 2728969 dated February 24, 2006.</p> <p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 50% PD Bond and 50% through BG.</p>	time bar.	
3.	Customs-Writ Pentition No. 372/2006	Oriental Tiles Limited vs. Commisioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter- veiling duty on marble slabs under section 3 of the Customs Tariff Act.</p> <p>The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commissioner of Customs in accordance with the Customs Tariff (Determination of Origin</p>	The Oponent has not filed any reply of the same resulting in time bar.	Rs.0.81 Lakhs

			<p>of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>The Petitioners imported certain polished marble slabs from Sri Lanka. The Government of Sri Lanka issued a certificate of origin as required under SAPTA/ISFTA.</p> <p>For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a countervailing duty on the imports made by the Petitioner to the tune of Rs. 81,000 under Bill of Entry bearing No. 272970 dated February 24, 2006.</p> <p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 50% PD Bond and 50% through BG.</p>		
4.	Customs-Writ Petition No. 157/2006	Oriental Tiles Limited vs. Commissioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter-veiling duty on marble slabs under section 3 of the Customs Tariff Act.</p> <p>The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commissioner of Customs in accordance with the Customs Tariff (Determination of Origin of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>The Petitioner imported certain polished marbles slabs from Sri Lanka. The Government of Sri Lanka issued a certificate of origin as required under SAPTA/ISFTA.</p>	The Oponent has not filed any reply of the same resulting in time bar.	Rs.2.71 Lakhs

			<p>For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a countervailing duty on the imports made by the Petitioner to the tune of Rs. 216766 under Bill of Entry bearing No. 269826 dated February 1, 2006.</p> <p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 75% PD Bond and 25% through BG.</p>		
5.	Customs-Writ Petition No. 156/2006	Oriental Tiles Limited vs. Commissioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter-veiling duty on marble slabs under section 3 of the Customs Tariff Act.</p> <p>The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commissioner of Customs in accordance with the Customs Tariff (Determination of Origin of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>The Petitioners imported certain polished marbles slabs from Sri Lanka. The Government of Sri Lanka issued a certificate of origin as required under SAPTA/ISFTA.</p> <p>For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a countervailing duty on the imports made by the Petitioner to the tune of Rs. 124788 under Bill of Entry bearing No. 272969 dated February 24, 2006.</p>	The Oponent has not filed any reply of the same resulting in time bar.	Rs.1.25 Lakhs

			<p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 75% PD Bond and 25% through BG.</p>		
6.	Customs-Writ Petition No. 155/2006	Oriental Tiles Limited vs. Commissioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed the Writ Petition in the High Court of Kolkata regarding dispute on applicability of counter-veiling duty on marble slabs under section 3 of the Customs Tariff Act.</p> <p>The petitioners' case is that SAARC countries entered into a Preferential Trade Agreement for preferential concessions in respect of the specified goods. The Government of India issued a notification no. 105/99 dated August 10, 1999 providing for preferential rate of duty for import of specified goods from SAARC countries, provided that the importer proves to the satisfaction of Assistant / Deputy / Joint Commissioner of Customs in accordance with the Customs Tariff (Determination of Origin of Goods under the Agreement on SAARC Preferential Trading Arrangements) Rules, 1995.</p> <p>The Petitioners imported certain polished marbles slabs from Sri Lanka. The Government of Sri Lanka issued a certificate of origin as required under SAPTA/ISFTA.</p> <p>For the import of said consignment, the Petitioner claimed exemption under the said notification to the extent of 10% of the basic custom duty.</p> <p>The Custom Authorities levied a countervailing duty on the imports made by the Petitioner to the tune of Rs. 235715 under Bill of Entry bearing No. 269824 dated February 1, 2006.</p> <p>In this regard the Petitioner filed the writ petition as to whether there can be any administrative embargo or exclusive fiat under Policy Circular No.25 of EXIM Policy (1997-2002) on duty free import of marble slabs from Sri Lanka to India.</p> <p>The High Court issued an interim order for payment of CVD of Rs. 50,000 and balance amount through 75% PD Bond and 25% through BG.</p>	The Oponent has not filed any reply of the same resulting in time bar.	Rs.2.36 Lakhs

7.	Customs-Writ Petition No. 3539/2006	Oriental Tiles Limited vs. Commisioner of Customs, Kolkata	<p>Oriental Tiles Limited has filed an appeal against the adverse order passed in W.P. No. 6060/204 by High court of kolkata pertaining to applicability of CVD on imported marble slabs under section 3 of the Customs Tariff Act.</p> <p>The writ petition No. 6060 of 2004 was filed by the Appellant because on or about February 14, 2004 the Customs Authorities levied an additional duty on Oriental Tiles for marbles imported from Sri Lanka.</p> <p>The writ petition was dismissed by the High Court holding that there is no provision in the Act for granting exemption from levy of additional duty.</p>	<p>The appeal is decided in favour of the company on 18th May, 2006 by the Double Bench of Kolkata High Court comprising Justice PC Ghose and the opponet has not filed any appeal in the High court as well as Supreme Court as of now.</p>	Rs.0.49 Lakhs
8.	Customs- Writ petition No. 10872/2004	Oriental Tiles Limited Vs. Union of India	<p>Oriental Tiles Limited has filed this writ petition in the High Court of Kolkata seeking the benefit of import duty under ISFTA under the Ministry of Finance circular No. 47/76/2004.</p> <p>The petitioner has imported two consignments of goods under Bill of Entry No. 189453 and 110940. The Customs department issued an order bearing No. 23 stating that the goods of the Petitioner could be cleared provisionally subject to submission of 100% cash security/Bank Guarantee covering the basic custom duty and submission of a cash deposit/Bank Guarantee to the tune of 25% of assessable value to cover any probable RF and PP.</p> <p>The question in the writ petition filed by the Petitioner is that whether the purported demand of basic custom duty in respect of importation of polished marbles slabs from Sri Lanka under Indo-Sri Lanka Free Trade Agreement and General Exemption bearing Government Notification No. 206/2000-Cus dated March 1, 2000 as amended upto date and whether demand of additional/countervailing duty in respect of importation of polished marble slabs from Sri Lanka are permissible.</p>	<p>The pentition is pending for disposal.</p>	The amount involved is Rs. 0.97 Lakhs.
9.	Customs- Wirt petition No. 4377/2005	Oriental Tiles Limited Vs. Union of India	<p>Oriental Tiles Limited has filed this writ petition in the High Court of Kolkata seeking the benefit of import duty under ISFTA under the Ministry of Finance circular No. 47/76/2004.</p> <p>The Petitioner imported certain goods from Sri Lanka. A Bill of Entry No. 208655 dated October 26, 2004 was issued by the Customs authorities. Though in the said bill of entry it was made clear that basic duty would not be realized by reasons of Notification No. 26 dated March 1, 2000, but at the time of making assessment on 1st December 2004 the Custom Authorities realized</p>	<p>The pentition is pending for disposal.</p>	Rs 0.51 lakhs

			<p>basic customs duty @ 20% amounting to Rs. 1,28,953. The Petitioner paid the customs duty under protest and it was noted by the custom authorities in the "Under Protest Register".</p> <p>Petitioner further states that similarly for two other consignments of polished porcelain tiles from the same exporter of Sri Lanka under invoices bearing No. EX/IN/OTL/104/09/62 dated September 30, 2004 and EX/IN/OTL/104/09/66 dated 15th October 2004 the custom authorities realized basic custom duty @ 20% at the time of issuing check list Bill of Entry to the tune of Rs. 128800 and Rs. 64621 respectively, though in initial bills of entry the petitioner was exempted from payment of basic custom duty.</p> <p>The main issue raised by the Petitioner in the above said petition is that whether, the custom authorities by/through a circular can override a notification issued under Policy Circular No.25 of EXIM Policy (1997-2002) and whether the custom authorities by the circular dated October 1, 2004 can in any event whatsoever by pass and / or supplant and/or override a notification under Policy Circular No.25 of EXIM Policy (1997-2002).</p>		
10.	CDM 64/2006 and stay Appeal No 130/06	Oriental Tiles Limited vs. Commissioner of Customs (Port Kolkata)	<p>Oriental Tiles Limited has filed an appeal with CESTAT Eastern Regional Bench, Kolkata against the order No.Kol/Cus/Port/139/05 dated 31.10.2005 issued by Commissioner of Customs (Port) Kolkata for misuse of benefit under notification No. 26/2000 dated March 1, 2000 read with 19/2000-Cus (Non-Tariff) in the import of goods declared as polished marble slabs from Sri Lanka at concessional rate of duty.</p> <p>Through the aforementioned order of October 31, 2005, the Commissioner of Customs (Port), Kolkata ordered to release the goods imported from Sri Lanka on payment of penalty of Rs. 50 Lakhs on Oriental Tiles Limited and Rs. 20 Lakhs each of three Directors and one employee of the Oriental Tiles Limited whereas the goods had been already cleared by the company under provisional assessment.</p> <p>Oriental Tiles Limited filed the appeal/ Oriental Tiles Limited filed the appeal/ stay application with the Eastern Regional Bench at Kolkata and has claimed the relief to set aside the order of the Commissioner of Customs (Port) Kolkata dated October 31, 2005, set aside the assessment of goods under tariff heading 25151210, grant benefits of exemption notification 26/2000-Cus dated March 1, 2000 and set aside the fine of Rs. 50 Lakhs imposed on the company.</p>	The appeal has been admitted by the Tribunal and is awaited to be listed for further hearing.	

11.	CDM 65/2006 and Stay Appeal No.131/06	Mr. Rajesh Punia, Director of Oriental Tiles Limited vs. Commisioner Customs (Port) Kolkata	<p>Mr. Rajesh Punia, Director of Oriental Tiles Limited has filed an appeal with CESTAT Eastern Regional Bench, Kolkata against the order No.Kol/Cus/Port/1329/05 dated October 31, 2005 issued by Commissioner of Customs (Port) Kolkata for misuse of benefit under notification No. 26/2000 dated March 1, 2000 read with 19/2000-Cus (Non-Tariff) in the import of goods declared as polished marble slabs from Sri Lanka at concessional rate of duty.</p> <p>Through the aforementioned order of October 31, 2005, the Commissioner of Customs (Port), Kolkata imposed penalty of 20 Lakhs on Mr. Rajesh Punia, Director of Oriental Tiles Limited</p> <p>Mr. Rajesh Punia, Director of Oriental Tiles Limited has filed the appeal/stay application with the Eastern Regional Bench at Kolkata and has claimed the relief to set aside the order of the Commissioner of Customs (Port) Kolkata data October 31, 2005, set aside the assessment of goods under tariff heading 25151210, grant benefits of exemption notification 26/2000-Cus dated March 1, 2000 and set aside the fine of Rs. 20 Lakhs imposed on him being in the capacity of the Director of Oriental Tiles Limited.</p>	The appeal has been admitted by the Tribunal and is awaited to be listed for further hearing	
12.	CDM 66/2006 and Stay Appeal No.132/06	Mrs. Savita Punia, Director of Oriental Tiles Limited vs. Commisioner Customs (Port) Kolkata	<p>Mrs. Savita Director of Oriental Tiles Limited has filed an appeal with CESTAT Eastern Regional Bench, Kolkata against the order No.Kol/Cus/Port/1329/05 dated October 31, 2005 issued by Commissioner of Customs (Port) Kolkata for misuse of benefit under notification No. 26/2000 dated March 1, 2000 read with 19/2000-Cus (Non-Tariff) in the import of goods declared as polished marble slabs from Sri Lanka at concessional rate of duty.</p> <p>Through the aforementioned order of October 31, 2005, the Commissioner of Customs (Port), Kolkata imposed penalty of Twenty Lakhs on Mrs. Savita Punia, Director of Oriental Tiles Limited.</p> <p>Mrs. Savita Punia, Director of Oriental Tiles Limited has filed the appeal/stay application with the Eastern Regional Bench at Kolkata and has claimed the relief to set aside the order of the Commissioner of Customs (Port) Kolkata dated October 31, 2005, set aside the assessment of goods under tariff heading 25151210, grant benefits of exemption notification 26/2000-Cus dated March 1, 2000 and set aside the fine of Rs. 20 Lakhs imposed on her being in the capacity of the Director of Oriental Tiles Limited.</p>	The appeal has been admitted by the Tribunal and is awaited to be listed for further hearing	

13.	CDM 67/2006 and Stay Appeal No.133/06	Mr. Sunil Kumar, Director of Oriental Tiles Limited vs. Commissioner Customs (Port) Kolkata	<p>Mr. Sunil Kumar Director of Oriental Tiles Limited has filed an appeal with CESTAT Eastern Regional Bench, Kolkata against the order No.Kol/Cus/Port/1329/05 dated October 31, 2005 issued by Commissioner of Customs (Port) Kolkata for misuse of benefit under notification No. 26/2000 dated March 1, 2000 read with 19/2000-Cus (Non-Tariff) in the import of goods declared as polished marble slabs from Sri Lanka at concessional rate of duty.</p> <p>Through the aforementioned order of October 31, 2005, the Commissioner of Customs (Port), Kolkata imposed penalty of Twenty Lakhs on Mr. Sunil Kumar, Director of Oriental Tiles Limited.</p> <p>Mr. Sunil Kumar, Director of Oriental Tiles Limited has filed the appeal/stay application with the Eastern Regional Bench at Kolkata and has claimed the relief to set aside the order of the Commissioner of Customs (Port) Kolkata dated October 31, 2005, set aside the assessment of goods under tariff heading 25151210, grant benefits of exemption notification 26/2000-Cus dated March 1, 2000 and set aside the fine of Rs. 20 Lakhs imposed on him being in the capacity of the director of Oriental Tiles Limited.</p>	The appeal has been admitted by the Tribunal and is awaited to be listed for further hearing	
14.	CDM 68/2006 and Stay Appeal No.134/06	Mr. Moloy, Mukherjee Manager of Oriental Tiles Limited vs. Commissioner Customs (Port) Kolkata	<p>Mr. Moloy Mukherjee, Manager of Oriental Tiles Limited has filed an appeal with CESTAT Eastern Regional Bench, Kolkata against the order No.Kol/Cus/Port/1329/05 dated October 31, 2005 issued by Commissioner of Customs (Port) Kolkata for misuse of benefit under notification No. 26/2000 dated March 1, 2000 read with 19/2000-Cus (Non-Tariff) in the import of goods declared as polished marble slabs from Sri Lanka at concessional rate of duty.</p> <p>Through the aforementioned order of October 31, 2005, the Commissioner of Customs (Port), Kolkata imposed penalty of 20 Lakhs on Mr. Moloy Mukherjee, Manager of the Oriental Tiles Limited.</p> <p>Mr. Moloy Mukherjee has filed the appeal /stay application with the Eastern Regional Bench at Kolkata and has claimed the relief to set aside the order of the Commissioner of Customs (Port) Kolkata dated October 31, 2005, set aside the assessment of goods under tariff heading 25151210, grant benefits of exemption notification 26/2000-Cus dated March 1, 2000 and set aside the fine of Rs. 20 Lakhs imposed on him being in the capacity of the Manager of Oriental Tiles Limited.</p>	The appeal has been admitted by the Tribunal and is awaited to be listed for further hearing	

GOVERNMENT APPROVALS

The Company carries its current operations after receipt of Industrial Entrepreneur Memorandum as obtained from Secretariat of Industrial Assistance, Government of India. The Company will be requiring further amendments for expansion at Greater Noida, Uttar Pradesh and Orissa and fresh IEMs for its proposed processing units at Bangalore and Kolkatta. The Company does not require any further approval from any Gol authority or RBI to undertake the proposed activities save and except those consents and approvals, which it may require to take in the normal course of business from time to time and disclosed below.

The Company has received all the necessary consents, licenses, permissions and approvals from the Gol and various Gol agencies / private certification bodies required for its present business and no further approvals are required for carrying on the present as well as proposed business except as mentioned herein. It must, however, be distinctly understood that in granting the above consents/ licenses/ permissions/ approvals, the Gol does not take any responsibility for the Company's financial soundness or for the correctness of any of the statements or any commitments made or opinions expressed.

Details of Approvals and Registrations obtained by the Company are as follows:

License / Registration No.	Purpose	Date of Issue	Valid upto
U74899DL1996PLC078339	Fresh Certificate of Incorporation upon conversion into public Company issued by Registrar of Companies, NCT of Delhi and Haryana	February 6, 2001	-
0596019921	Certificate of Importer Exporter Code (IEC)	July 12, 1996	One Time
Import license No. 0550000399/5/00/01	For import of rough marble blocks upto 2816.81 MT	issued on March 6, 2006 we.f. August 31, 2005	24 Months
Import license No. 0550000290/5/00/01	For import of rough marble blocks upto 3260 MT	May 11, 2005	24 Months
EPCG License No. 0530136505	For import of mining equipment under EPCG Scheme entailing an export obligation of Rs.11,440,312 to be fulfilled within 8 years.	July 05, 2004	One Time (Export obligation to be fulfilled till July 04, 2012.)
LC/44/187602/0596	Registration under Central Sales Tax Act, 1956 for Corporate Office at New Delhi	May 26, 1996	One Time
AAACO1556G.	Permanent Account Number of the Company	N.A.	One Time
LC/44/187602/0596	Registration under Delhi Sales Tax Act	May 26, 1996	One Time
DELO00994A	TDS Account Number	N.A.	One Time
Greater Noida Unit			
IEM No. 1643/SIA/IMO/2001 capacity of 12,600 MT	Industrial Entrepreneur Memorandum	July 25, 2001	Valid for
NDA-2540	License under Factories Act	March 25, 2003	Dec 31, 2006
No. 21-14225-56	Registration under Employee State Insurance Act	April 22, 2003	One Time
U.P. 32225	Compliance with Employee Provident Fund Act	April 24, 2003	One Time
338/2004	Compliance with Contract Labour Act	January 17, 2004	One Time
168/NOC/1/8108/2001/12	NOC from U.P. Pollution Control Department, Noida	April 28, 2001	One Time
CSTGN-5065097 1956 for Unit at Greater Noida	Registration under Central Sales Tax Act,	May 15, 2001	One Time
GN13474	Registration under U P Trade Tax Act, 1948	May 15, 2001	One Time
GN000381 (R)	Recognition Certificate under U P Trade Tax Act, 1948	February 23, 2006	Valid from May 19, 2001 till the validity of the Local Trade Tax validity

AAACO1556GXM001	Registration under Central Excise Act for Greater Noida Unit	February 24, 2003	One time
AAACO1556GST001	Service Tax for Greater Noida unit	February 3, 2005.	One Time
G-5/31/06	Consent under section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 Act by Uttar Pradesh Pollution Control Board for Greater Noida Unit	June 21, 2006	Applied for renewal
G-5/31/06	Consent under section 21 and 22 of the Air (Prevention and Control of Pollution) 1981 Act by Uttar Pradesh Pollution Control Board	June 21, 2006	Applied for renewal
278	Exemption under Section 4A of U.P. Trade Tax Act, 1948	May 3, 2005	Valid till March 29, 2012 or till availment of Rs. 402.69 lakhs of trade tax exemption whichever is earlier.
Orissa Operations			
753/SIA/IMO/2004	Industrial Entrepreneur Memorandum for Balasore, Orissa Factory	March 4, 2004	Valid for capacity of 3500 MT
21971505196 MBCR-598	Tax Identification Number Registration under Central Sales Tax Act, 1956 for Unit at Rairangpurand Balasore, Orissa	October 23, 2003	One Time Until cancelled
AAACO1556GXM002	Registration under Central Excise Act for Mayurbanj, Orissa	March 30, 2006	One Time
Memo no. 1424	Environmental clearance by Divisional Forest officer, Behrampur Division, Orissa for Orissa Granite Mines	March 29, 2004	One Time
Sales & Marketing Outlets/ Warehouses			
CST/766067	Registration under Central Sales Tax Act, 1956 for Showroom/ Warehouse at Chennai	June 6, 2001	Until cancelled
19395052225	Registration under Central Sales Tax Act, 1956 for Showroom/ Warehouse at Kolkatta	August 30, 2005	Until cancelled
19395052225	Tax Identification Number for Kolkatta Retail outlet		One Time
TNGST/1383668/2001-2002	Registration under Tamil Nadu General sales Tax Act 1959 for Chennai show room/ warehouse registration	June 6, 2001	One Time
19395052031	Registration under West Bengal Value Added Tax Rules, 2005	August 30, 2005	One Time
R-30/Stax/BAS/TGR/34/04	Service Tax Registration	November 30, 2004	One Time
07410187602	Tax Identification Number for Corporate Office and Warehouse at Delhi		One Time
	Registration under Delhi Shops and Establishment Act, 1954 for Offices in Delhi.	The company has not applied for	
EWC/0777404	Certificate of Enrollment under West Bengal State Tax on Professions, Trade, callings and Employments Act, 1979 for Kolkatta office	June 22, 2005	One Time
RWC/2045001	Certificate of Registration under West Bengal State Tax on Professions, Trade, callings and Employments Act, 1979 for Kolkatta office	February 23, 2006	One Time
To be Allotted	Application made to Municipal Corporation of Chennai for registration of Chennai Showroom under Tamil Nadu Shops and Establishment Act	June 6, 2006	Pending

MATERIAL DEVELOPMENTS

Significant development since the last audited balance sheet as on December 15, 2006 till the date of Red Herring Prospectus.

No circumstances have arisen since the date of last financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of the Company, or value of its assets, or its ability to pay its liability within next twelve months.

There is no subsequent development after the date of the Auditor's Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares in the Issue by the Company has been authorised by the resolution of the Board of Directors passed at their meeting held on 2nd March 2006, subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Extra Ordinary General Meeting of the Company held on 31st March 2006.

Prohibition by SEBI

Neither the Company, nor its Promoters, its directors, any of its Group Companies, and the companies or entities with which directors of the Company are associated, as directors or promoters, have been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

None of the Promoters, their relatives, the Company its directors, any of its Group Companies, and the companies or entities with which directors of the Company are associated, as directors or promoters are detained as willful defaulters by RBI/ government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

The Listing of any securities of the Issuer has never been refused at anytime by any of the Stock Exchanges in India.

Eligibility for the Issue

Firm arrangement of finance through verifiable means towards more than 75% of the stated means of finance excluding the amount to be raised through public issue have been made.

The Company is eligible for the Issue as per Clause 2.2.2. of the SEBI Guidelines as explained under:

2.2.2 An unlisted company not complying with any of the condition specified in Clause 2.2.1 may make an initial public offering (IPO) of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions (a) and (b) given below:

(a) (i) The Issue is made through the book-building process, with at least (50% of Net Offer to Public) being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.

OR

(a) (ii) 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

AND

(b) (i) The minimum post-issue face value capital of the Company shall be Rs. 10 crores.

OR

(b) (ii) There shall be a compulsory market-making for at least 2 years from the date of listing of the shares subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;

(b) Market makers undertake to ensure that the bid -ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%:

(c) The inventory of the market makers on each of such stock exchanges, as on the date of allotment of securities, shall be at least 5% of the proposed Issue of the company

The following table shows the net tangible assets, monetary assets, distributable profits and net worth for the past five financial years:

(Rs in Lakhs)

Financial Year	2001-02	2002-03	2003-04	2004-05	2005-06
Net Tangible Assets	948.38	1137.06	1293.76	1251.27	1926.38
Monetary Assets	7.02	40.40	45.21	42.99	143.94
Distributable Profits	35.08	33.94	43.28	47.32	235.42
Net Worth	235.57	275.67	309.90	415.22	675.58

* Net Tangible Assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves, if any), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities and non-trade investments.

** Monetary Assets are defined as the sum of cash on hand, Non Trade Investments, Balance with Scheduled Bank in Current accounts and Fixed Deposits and balance with Post Office Savings account.

*** Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off)

The Company is an unlisted company that does not comply with the conditions specified in Clause 2.2.1 (e) of the SEBI Guidelines and is therefore required to meet both the conditions set forth in Clause 2.2.2(a) and clause 2.2.2(b) of the SEBI Guidelines, as specified above.

The Company has complied with Clause 2.2.2(a)(ii) of the SEBI Guidelines) as its "project" is having more than 15% participation by the appraising entity viz. The Jammu and Kashmir Bank Limited, the details of which are given as under:-

Particulars	(Rs. in Lakhs)
Total Project Size (as per appraisal note)	4720.25
Term Loans sanctioned from The Jammu and Kashmir Bank Limited - the appraising entity	720.00
%age participation by the appraising entity	15.25%

The Company undertakes that atleast 10% of the Net Issue shall be allotted to QIB's and in the event the Company fails to do so, the full subscription monies shall be refunded to the applicants / Bidders.

The Company is also complying with Clause 2.2.2(b)(i) of the SEBI Guidelines wherein the post-issue face value capital of the Company shall be Rs. 1000 lakhs as the post-issue face value capital of the Company at present is Rs. 1550 Lakhs.

Hence, the Company is eligible for the Issue under Clause 2.2.2 of SEBI Guidelines.

Further, in accordance with Clause 2.2.2(A) of the SEBI Guidelines, the Company undertakes that the number of allottees in the Issue shall be at least 1,000, otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company 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 THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOKRUNNING LEAD MANAGER, ALLIANZ SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES 2000, 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 RED HERRING PROSPECTUS, THE BOOK RUNNING 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 BOOK RUNNING LEAD MANAGER M/S ALLIANZ SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.
- (3) WE CONFIRM THAT:
 - A. THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS 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;

- C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;
- D. BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND
- E. WE HAVE CERTIFIED OURSELVES ABOUT THE WORTH OF UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- (4) WE CERTIFY THAT A WRITTEN CONSENT FROM THE SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS A PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/TRANFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, NCT OF DELHI and HARYANA, IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTIONS 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 BOOK RUNNING LEAD MANAGER (MERCHANT BANKER), ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

DISCLAIMER FROM THE ISSUER, BOOK RUNNING LEAD MANAGER

The Company, its Directors and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisement or any other material issued by or at its instance and that anyone placing reliance on any other source of information, including website of the Company, www.orientaltrimex.com, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager and the Company dated March 2, 2006, Memorandum of Understanding entered into between the Lead Manager and the Company dated December 30, 2006 and the Underwriting agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centres or elsewhere.

Neither the Company nor BRLM or Syndicate Members shall be liable to the Bidders for any failure in downloading the bids due to faults in any software/ hardware system or otherwise.

CAUTION

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, Hindu Undivided Families, Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FIIs registered with SEBI. This Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes into 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 Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where permission would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the final Red Herring Prospectus has been filed with RoC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in the United States and may not be issued 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 issued and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE, the Designated Stock Exchange)

Bombay Stock Exchange Limited (the Exchange) has given vide its letter dated September 28, 2006, permission to this Company to use the Exchanges name in this offer document as one of the Stock Exchanges on which this Companys securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner :-

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b. warrant that this Companys securities will be listed or will continue to be listed on the Exchange; or
- c. 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 that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/31627-N dated October 19, 2006, permission to the Issuer to use the Exchanges name in this Offer Document as one of the Stock Exchanges on which this Issuers securities are proposed to be listed. The Exchange has scrutinised this Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuers securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever

FILING

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai - 400021.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at Paryavaran Bhawan, CGO Complex, New Delhi 110003.

LISTING

The initial listing applications have been made to Bombay Stock Exchange Limited. (BSE) and The National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. Bombay Stock Exchange Limited. will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus and if such money is not repaid within eight days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

The Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the basis of allotment for the Issue.

CONSENTS

Consents in writing of: (a) Directors, the Company Secretary, Compliance Officer, the Auditors, Bankers to the Company; and (b) Book Running Lead Manager to the Issue, Lead Manager to the Issue, Registrars to the Issue and Legal advisors, Syndicate Members, Underwriters to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, NCT of Delhi and Haryana as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of this Red Herring Prospectus, for registration with the Registrar of Companies, NCT of Delhi and Haryana.

M/s Mehra Wadhwa and Co., Statutory Auditors, have also given their consent to the inclusion of their report as appearing in the form and context in which it appears in this Red Herring Prospectus and also tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies, NCT of Delhi and Haryana.

EXPERT OPINION

No opinion of any expert has been obtained by the Company, except that of M/s Mehra Wadhwa and Co. Chartered Accountants - Statutory Auditors of the Company; the Jammu & Kashmir Bank Limited - Appraising Agency and Fox Mandal - Legal Advisors to the Issue.

PUBLIC ISSUE EXPENSES*

The expenses for this Issue includes issue management fees, selling commission, underwriting commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchanges, among others. The total expenses for this Issue are estimated at approximately [?], details of which are as under:

(Rs. In Lakhs)

Activity	Amount (Rs. in lakhs)	% Of Total Issue Expenses	% Total Issue Size
Issue Management Fee	[•]	[•]	[•]
Registrars fees	[•]	[•]	[•]
Fee for Legal Counsel			
Printing and Distribution of Issue Stationery	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Other expenses(stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[•]	[•]	[•]
Total	[•]	[•]	[•]

* Will be incorporated after finalisation of Issue Price

Fees Payable to the BRLM, Lead Manager, Underwriting, Brokerage and Selling Commission

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the engagement letter dated May 31, 2006, with Allianz Securities Limited, and engagement letter dated December 29, 2006 with Canara Bank, copy of which is available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar dated May 18, 2006, copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Previous Public and Rights Issues

The Company has not made any public or rights issue since its inception.

Previous Issues of Shares Otherwise than for Cash

The Company has not issued shares for consideration other than for Cash, except as stated in the title "Capital Structure" on page 11 of this Red Herring Prospectus.

Commission and Brokerage paid on Previous Issues

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of Equity Shares of the Company since its incorporation

Companies under the Same Management

There are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956 which has made any capital issues during the last three years

Promise v/s Performance**(A) Last issue made by the Issuer Company**

The Company has not made any issue of Equity Shares to the public prior to the present Public Issue.

(B) Last issue of group/ associate companies

The Promoters of the Company does not have any listed venture and consequently the Company is not required to furnish details of promise v/s performance in respect of the last issues of its Promoter companies.

Option to Subscribe

Equity Shares being issued through the Red Herring Prospectus can be applied for in Dematerialized form only.

Outstanding Debentures, Bonds, Redeemable Preference Shares or other Instruments

The Company has no outstanding Debentures, Bonds, Redeemable Preference Shares or other Instruments as of the date of Red Herring Prospectus.

Stock Market Data for Equity Shares of the Company

This being the Initial Public Issue of Oriental Trimex Limited, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed **Beetal Financial and Computer Services (P) Limited.**, as the Registrar to the Issue, to handle the investor grievances in co-ordination with Compliance Officer of the Company. All grievances relating to the present issue may be addressed to the registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bidder/Bank branch where the application was submitted. The Company will monitor the work of the Registrar to ensure that the grievances are settled expeditiously and satisfactorily.

Disposal of Investor Grievances

M/s Beetal Financial and Computer Services Private Limited, the Registrars to the Issue, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors.

The Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of 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

The Company has appointed Mr.Hari Singh, GM (Corporate Affairs) and Company Secretary of the Company, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/post issue related problems. The Compliance Officer can be contacted at the following address:

Oriental Trimex Limited
 708, 7th Floor,
 Padma Tower-1-5, Rajindra Place,
 New Delhi – 110008
 Phone No: +91 11 41536970, 25769567/68
 Fax No: +91 11 25816910/25752007
 E-mail : ipo@orientaltrimex.com

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years.

Capitalization of Reserves or Profits (during the last five years)

The Company has not capitalized its profits or reserves at any time except as stated in the section titled “Financial Information” on page no. 103 of this Red Herring Prospectus.

Revaluation of Assets (during the last five years)

The Company has not revalued its assets during the last five years.

SECTION VIII: ISSUE RELATED INFORMATION**ISSUE STRUCTURE**

PUBLIC ISSUE OF 1,00,00,000 EQUITY SHARES OF RS.10 EACH FOR CASH AT A PRICE OF RS. [•]PER EQUITY SHARE AGGREGATING TO RS. [•] LAKHS ('THE ISSUE'). THE ISSUE COMPRISES OF PROMOTERS CONTRIBUTION OF 6,00,000 EQUITY SHARES AT A PRICE OF RS [•] PER EQUITY SHARE AGGREGATING [•] LAKHS. NET ISSUE TO THE PUBLIC IS OF 94,00,000 EQUITY SHARES AT A PRICE OF RS [.] PER EQUITY SHARE AGGREGATING TO RS [•] LAKHS. THE ISSUE WOULD CONSTITUTE 64.50 % OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY CAPITAL OF THE COMPANY

	QIBs	Non-Institutional Bidders	Retail individual Bidders
Number of Equity Shares*	Upto 47,00,000 Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Minimum of 14,10,000 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Minimum of 32,90,000 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size Available for allocation	Upto 50% of Net Issue to Public or Net Issue to Public less allocation to Non-Institutional Bidders and Retail Individual Bidders with 5% compulsory to mutual funds. However 10% of the issue size i.e 10,00,000 Equity Shares shall be mandatorily allotted to QIBs failing which the entire subscription shall be refunded	Not less than 15% of Net Issue to Public or Net Issue to Public less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Net Issue to Public or Net Issue to Public less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid#	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 125 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 125 Equity Shares	125 Equity shares and in multiples of 125 Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid amount does not exceeds Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Trading Lot	One	One	One
Who can apply***	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI and state Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable laws.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions, societies and trusts.	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid amount does not exceed Rs. 100,000 in value.
Terms of Payment	Margin Money applicable to QIBs at the time of submission of Bid cum Application	Margin Money applicable to Non institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	10% of the bid amount Form to the Syndicate Members.	Full Bid amount on Bidding	Full Bid amount on Bidding

* Subject to valid bids being received at or above the Issue Price.

**Under-subscription, if any, in any category would be met with spillover from other categories at the sole discretion of the Company, in consultation with the BRLM. If a minimum allotment of 10% of the Issue size is not made to the QIBs, the entire subscription monies shall be refunded.

Undersubscription in the reserved category may be added back to net issue to public.

*** In case the bid cum application form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the bid cum application form.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein upto 50% of the Net Issue shall be available for allocation to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. However as the Company is eligible for the issue under clause 2.2.2 therefore in terms of clause 2.2.2 (a)(ii), at least 10% of the Issue size shall be mandatorily allotted to QIBs on a proportionate basis failing which the full subscription monies shall be refunded. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate Members Only. In case of QIB bidders, the Company, in consultation with the BRLM, may reject any Bids procured by any or all members of the Syndicate, at the time of acceptance of Bid-cum-Application Form provided that the reasons for rejecting the same shall be disclosed to the Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories, is as follows:

Category	Colour of Bid-cum-Application Form
Indian Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Who Can Bid?

- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
- Indian mutual funds registered with SEBI;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
- Venture capital funds registered with SEBI;
- Foreign venture capital investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the issue;
- State Industrial Development Corporations;
- Insurance companies registered with the Insurance Regulatory and Development Authority;
- Provident funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to invest in Equity Shares;
- Pension funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to invest in Equity Shares;
- Multilateral and bilateral development financial institutions;
- Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
- Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
- Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.

As per existing regulations, OCBs are prohibited from investing in this Issue.

*Note:*The BRLM, Lead Manager and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations if any. However, associates and affiliates of BRLM and Syndicate Member may subscribe for equity shares in the issue, including the QIBs and Non-Institutional portion where the allocation is on proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids by Eligible NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from Registered Office of the Company, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Delhi only.
3. Duly filled application forms by NRIs/FIIs will be accepted at designated branches of the Bankers to the issue at Mumbai.
4. 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 US dollars or any other freely convertible currency as may be 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. The 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.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of post-issue paid-up capital of the Company (i.e., 10% of 1,55,03,333 Equity Shares). In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of total issued capital or 5% of our total issued capital of the Company in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered VCF and FVCI

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modifications or changes in the applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.

Bids and Revision to Bids must be made:

- On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three)
- NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than Rs. 1,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; bids by FIIs or Foreign Venture Capital Fund and Bilateral Development Financial Institution should be for a minimum of such number of Equity Shares and in multiples of 125 Equity Shares thereafter that the Bid Amount exceeds Rs. 1,00,000; for further details see "Maximum and Minimum Bid Size" at page 132 of this Red Herring Prospectus.
- In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be despatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for minimum of 125 Equity Shares and in multiples of 125 Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

For Others (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of 125 Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 1,00,000 and in multiples of 125 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders

- a) The Company will file this Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
- c) Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the registered office of the Company or from the BRLM or Lead Manager, or from a member of the Syndicate.
- d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bids.
- e) The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of bidding

1. The Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement, subject to the provisions of Section 66 of the Companies Act and shall be in the format prescribed in Schedule XX-A of SEBI DIP Guidelines, as amended vide SEBI Circular no. SEBI / CFD / DIL / DIP / 14 / 2005 / 25 / 1 dated January 25, 2005. The members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. Investors who are interested in subscribing for Equity Shares of the Company should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
3. The Bidding Period shall be a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two widely circulated newspapers (one each in English and Hindi), and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding ten working days.
4. During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.
5. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 133 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
6. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph "Build up of the Book and Revision of Bids" on page 135 of this Red Herring Prospectus.
7. The members of the Syndicate will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum application Form.
8. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Account" on page 134 of this Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 40 to Rs. 48 per Equity Share of Rs. 10/- each, Rs. 40 being the lower end of the Price Band and Rs. 48 being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (One).
2. The Company, in consultation with the BRLM, can revise the Price Band during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three additional days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the Floor of the Price-band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Red Herring Prospectus.
3. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the stock exchanges, by issuing a public notice in two widely circulated newspapers (one each in English and Hindi) and also indicating the change on the relevant website of the BRLM, Company and the terminals of the members of the Syndicate.
4. The Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band, in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.**
6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders, who bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off could either (i) revise their Bid or (ii) make additional payment based on the higher end of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 1,00,000 for retail individual bidders if the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.1, 00,000, the Bid will be considered for allocation under the Non-Institutional category in terms of this Red Herring Prospectus. If, however, the

Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders shall be deemed to have approved such revised Bid at Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall be within the range of Rs. 5,000 to Rs.7, 000. The Company in consultation with the BRLM shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.

Application in the Issue

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only.

Escrow Mechanism

1. The Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of the Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. Payment of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.
2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid-cum-Application Form by drawing a cheque, demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 139 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held in the Refund Account for the benefit of the Bidders who are entitled to refunds. On the Designated Date, and no later than 15 days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders.

Each category of Bidders (i.e. QIBs, Non Institutional Bidders, Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Money payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 164 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date which shall be a minimum period of two (2) days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.

If the payment is not made favoring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had applied for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which the Company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one NSE/BSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the

terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on an half hourly basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

- (c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.)
 - Investor Category –Individual, Corporate, NRI, FII, or Mutual Fund, etc.
 - Numbers of Equity Shares bid for.
 - Bid price.
 - Bid-cum-Application Form number.
 - Whether Margin Amount is made upon submission of Bid-cum-Application Form.
 - Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLM/ member of the Syndicate also has the right to accept the Bid or reject it in case of QIBs; however, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 142 of this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of the Company.
- (i) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid,

the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.

- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs shall analyze the demand generated at various price levels and discuss pricing strategy with the Company.
- (b) The Company, in consultation with the BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted in each category to Bidders.
- (c) The allocation for QIBs would be upto 50% of the Issue Size would be proportionate basis. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and not less than 35% of the Issue Size, respectively, would be on proportionate basis in the manner specified in the SEBI guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under-subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of the Company, in consultation with the BRLMs. **However at least 10% of the Issue size will have to be compulsorily allocated to the QIBs failing which the full subscription money shall be refunded.** However, if the aggregate demand by Mutual Funds is less than 223250 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of Company, in consultation with the BRLM and the Designated Stock Exchange. Undersubscription in the reserved category may be added back to net issue to public.
- (e) Allocation to NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.
- (f) The BRLM, in consultation with the Company shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) The Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning reasons whatsoever but before allotment. In terms of SEBI DIP guidelines, QIB bidders shall not be allowed to withdraw their bid after the bid / issue closing date.

Notice to QIBs: Allotment Reconciliation

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Issuance of Confirmation of Allocation Note

- a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, the investor should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- b) The Members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the full Bid Amount into the

Escrow Account on or prior to the time of bidding shall pay in full amount into the Escrow Account on or prior to the Pay-in Date specified in the CAN.

- c) Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for allotment to such Bidder.
- (d) The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation" as set forth under the chapter "Issue Procedure" of this Red Herring Prospectus.

Signing of Underwriting Agreement and ROC Filing

- (a) The Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, the Company will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with ROC

The Company will file a copy of the Prospectus with the Registrar of Companies, Delhi & Haryana, situated at Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Announcement of Pre-Issue Advertisement

Subject to section 66 of the Companies Act, the Company shall after receiving final observation, if any, on the Draft Red Herring Prospectus with SEBI, publish an advertisement, in the form prescribed by the SEBI DIP guidelines in two widely circulated newspapers (one each in English and Hindi).

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by the Company after filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares

1. The Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would allot the Equity Shares to the allottees. The Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be completed within two working days of the date of finalization of the basis of allotment. In case, the Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
2. **In accordance with the SEBI DIP Guidelines, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- a) Check if you are eligible to apply;
- b) Read all the instructions carefully and complete the resident Bid-cum-Application Form (white in colour) or Non-Resident Bid-cum-Application Form (blue in colour)
- c) Ensure that the details about Depository Participant and Beneficiary Account are correct, as Allotment of Equity Shares will be in the dematerialized form only. Ensure that the Bids are submitted at the Bidding Centers only on forms bearing stamp of the Syndicate Member;
- d) Investors must ensure that the name given in the Bid cum Application form is exactly the same as the name in which the Depository account is held. In case the Bid cum Application Form is submitted in Joint names, it should be ensured that the Depository account is also held in the same Joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within the Price Band.
- h) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for

Equity Shares by a Bidder is for a total value of Rs. 50,000 or more and attach a copy of the PAN Card and also submit a photocopy of the PAN card(s) or a communication from the Income Tax authority indicating allotment of PAN along with the application for the purpose of verification of the number, with the Bid cum Application Form. In case you do not have a PAN, ensure that you provide a declaration in Form 60 or 61 as the case may be together with the permissible documents as address proof

- i) Ensure that demographic details (as defined herein below) are updated true and correct in all respects.

Don'ts:

- a. Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- b. Do not Bid for lower than minimum Bid size;
- c. **Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;**
- d. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- e. Do not pay Bid amount in cash;
- f. Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders);
- g. Do not bid where bid amount exceeds Rs. 1,00,000 (for Retail Individual Bidders)
- h. Do not fill up the Bid cum Application Form for an amount that exceeds the Issue size and / or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations or maximum amount permissible under the applicable regulations.
- i. Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.
- j. Do not submit bid accompanying with Stock Invest.
- k. Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.
- l. Do not submit the Bid without the QIB Margin Amount, in case of a Bid by QIB.

Instructions for completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or revision Forms from the members of Syndicate

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund registered with SEBI applying on repatriation basis.
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of 125 Equity Shares and in multiples of 125 Equity Shares thereafter subject to a maximum of Rs. 1,00,000.
- (d) For non institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 1,00,000 and in multiples of 125 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.
- (e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through Direct Credit to or ECS. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN

WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used any other purposes by the Registrars to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered Societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FII's, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 lakhs and pension fund with the minimum corpus of Rs. 2500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as the Company and the BRLM may deem fit.

Payment Instructions

The Company shall open an Escrow Account of the Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form. The BRLM and Syndicate Member(s) shall also open Escrow Accounts of the Syndicate with one or more of the Escrow Collection Banks for the collection of the margin amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue

1. The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of the Company and submit the same to the member of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of the Company within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
3. The payment instruments for payment into the Escrow Account of the Company should be drawn in favour of:
 - (a) In case of resident QIB Bidders: **“Escrow Account – Oriental Public Issue – QIB - R”**
 - (b) In case of Resident Retail Individual and Non-Institutional Bidders (including NRIs on non-repatriation basis) – **“Escrow Account – Oriental Public Issue – R”**
 - (c) In case of Non-Resident QIB Bidders : **“Escrow Account – Oriental Public Issue – QIB – NR”**
 - (d) In case of Non-Resident Retail Individual and Non-Institutional Bidders applying on a repatriation basis – **“Escrow Account – Oriental Public Issue – NR”**
 - In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
 - In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
4. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of the Company.
5. The monies deposited in the Escrow Account of the Company will be held for the benefit of the Bidders till the Designated Date.
6. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of the Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
7. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
8. Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be accepted.

Payment by Stock-invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stock-invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock-invest would not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the Members of the Syndicate at the time of submitting the Bid-cum-Application Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS**Joint Bids in the case of Individuals**

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form (“First Bidder”). All communi-

cations will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN / GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father's / husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, 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 Bid-cum-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 Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a 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 Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

Unique Identification Number – MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/ quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 by its circular bearing number MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UIN's in a phased manner. The press release states that the cut-off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. Therefore, MAPIN is not required to be quoted with the Bids.

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject a Bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of submission of the Bid and the reasons therefore shall be disclosed to the QIB Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter-alia on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of Partnership firms, the shares may be registered in the name of individual partners and no firm as such shall be entitled to apply.
4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN photocopy/ PAN Communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at cut-off price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares, which are not in multiples of 125;
11. Category not ticked;
12. Multiple bids as defined in this Red Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stock invest/money order/ postal order/ cash;
15. Bids not duly signed by the sole/joint Bidders;
16. Bid-cum-Application Form does not have the stamp of the Syndicate Member;
17. Bid-cum-Application Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid-cum-Application Form; or
19. Bids for amounts greater than the maximum permissible amounts as prescribed by the regulations.
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
21. Bids by OCBs;
22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance Regulation S under the Securities Act; and
23. Bids by NRIs not disclosing their residential status;
24. If GIR number is mentioned instead of PAN number.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among the Company, the Depositories and the Registrar,

1. An Agreement dated January 16, 2007 among NSDL, the Company and Registrars to the Issue.
2. An Agreement dated January 17, 2007 among CDSL, the Company and Registrars to the Issue.

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. Non Transferable allotment advice or refund orders will be directly sent to the Bidders by the registrar to the Issue.
6. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

7. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
9. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS

The Company has appointed Mr Hari Singh Bisht, General Manager (Corporate Affairs) as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Oriental Trimex Limited
 Registered Office: 708, 7th Floor,
 Padma Tower-1-5, Rajindra Place,
 New Delhi – 110008
 Phone No: +91 11 41536970, 25769567/68
 Fax No: +91 11 25816910/25752007
 E-mail : ipo@orientaltrimex.com

Procedure and Time Schedule for Allotment

The Issue will be conducted through a "100% book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [•] and expire on [•]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Disposal of Applications and Applications Money and Interest in case of Delay

The Company shall ensure despatch of allotment advice, refund orders (except for Bidders who receive refunds through Electronic Transfer of Fund) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of date of finalisation of basis of allotment of Equity Shares. The Company shall dispatch refund orders above Rs. 1500/-, if any, by registered post or speed post at the sole or first bidder's sole risk, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or Direct Credit.

The Company shall despatch refund orders, as per the procedure mentioned under section "Dispatch of Refund Orders" on page 147 of this Red Herring Prospectus, at the sole or First Bidder's sole risk.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

The Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI Guidelines, the Company further undertakes that:

- i) Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;
- ii) Dispatch of refund orders will be done within 15 days from the Bid /Issue Closing Date; and
- iii) The Company shall pay interest at 15% per annum (for any delay beyond the 15 days time period as mentioned above), if allotment is not made, refund orders / credit intimation are not dispatched and in case where refund is made through electronic mode, the refund instructions have not been given to the clearing system in the disclosed manner and / or demat credits are not made to investors within the fifteen day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic manner as described above. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

**(a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or
(b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,
shall be punishable with imprisonment for a term which may extend to five years.”**

Basis of Allocation

1. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 31,25,500 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the aggregate demand in this category is greater than 31,25,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 125 Equity Shares. For the method of proportionate basis of allocation, refer below.

2. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non- Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 19,39,500 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 19,39,500 Equity Shares at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of 125 Equity Shares. For the method of proportionate basis of allotment refer below.

3. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the issue price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- The allotment shall be undertaken in the following manner –
 - a) In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
 - i) In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - ii) In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
 - iii) Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
 - b) In the second instance, allocation to all QIBs shall be determined as follows –
 - i) In the event that the over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
 - ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii) Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Under-subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of the Company in consultation with the BRLM except that atleast 10% of the Issue size shall be compulsorily allocated to QIBs failing which entire subscription amount has to be refunded

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, the Company shall finalise the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in the marketable lots on a proportionate basis as explained below.

- (a) Bidders will be categorized according to the number of Equity Shares applied for by them.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) If the proportionate allotment to a Bidder is a number that is more than 125 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (e) In all Bids where the proportionate allotment is less than 125 Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of 125 Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of 125 Equity Shares.
- (e) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)**A. Issue details**

Sr. No.	Particulars	Issue details
1	Issue size	100 lakhs Equity Shares
2	Allocation to QIB (minimum 50% of the Issue)	50 lakhs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	2.50 lakhs Equity Shares
	b. Balance for all QIBs including Mutual Funds	47.50 lakhs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	250 lakhs Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Lakhs)
1	A1	25
2	A2	10
3	A3	65
4	A4	25
5	A5	25
6	MF1	20
7	MF2	20
8	MF3	40
9	MF4	10
10	MF5	10
	TOTAL	250

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants*(Number of equity shares in million)*

Type of QIB bidders	Shares bid for	Allocation of 2.50 lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 47.50 lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	25	0	4.80	0
A2	10	0	1.92	0
A3	65	0	12.48	0
A4	25	0	4.80	0
A5	25	0	4.80	0
MF1	20	0.50	3.74	4.24
MF2	20	0.50	3.74	4.24
MF3	40	1.0	7.48	8.48
MF4	10	0.25	1.87	2.12
MF5	10	0.25	1.87	2.12
	250	2.50	47.50	21.20

Please note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 129 of this Red Herring Prospectus.
- Out of 50 lakhs Equity Shares allocated to QIBs, 2.50 lakh (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 lakh shares in the QIB Portion.
- The balance 47.50 lakhs Equity Shares [i.e. 50 – 2.5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 250 lakh Equity Shares (including 5 Mutual Fund applicants who applied for 100 lakh Equity Shares).
- The figures in the fourth column titled "Allocation of balance 47.50 lakhs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 47.5/247.5
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 47.5/247.5
 - The numerator and denominator for arriving at allocation of 47.5 lakhs Equity Shares to the 10 QIBs are reduced by 2.5 lakh shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

The Company shall give credit of Equity Shares to the beneficiary account with depository participants within 2 working days of finalisation of the basis of allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall dispatch refund orders, if any, of value upto Rs. 1,500 by "Under Certificate of Posting", and will dispatch refund orders above Rs. 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 15 days of the Bid / Issue Closing date and adequate funds for the purpose shall be made available to the Registrars by the Company. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through "Under Certificate of Posting" within 15 days of closure of issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

The Company shall ensure dispatch of refund orders / refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the First Bidder's sole risk within 15 days of the Bid / Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode (s) disclosed shall be made available to the Registrars by the Company.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders**
Refunds will be done within 15 days from the Bid / Issue Closing Date at the sole or First Bidder's sole risk. The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrars to the Issue; and

- **Interest in case of delay in dispatch of allotment letters / refund orders**

The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders have not been dispatched to the applicants or if, in case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from Bid / Issue closing date.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

The Company will provide adequate funds to the Registrars to the Issue for making refunds to unsuccessful applicants as per the mode disclosed under "Dispatch of Refund Order" appearing on page no. 147 of this Red Herring Prospectus.

DISPATCH OF REFUND ORDERS

The payment of refund, if any, would be done through various modes in the following order of preference –

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR Code as appearing on a cheques leaf from the Depositories. The payment of refunds is mandatory through this mode for applicants having a bank account at any of the above-mentioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bankers, in this case being Kotak Mahindra Bank, shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Bankers for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the above-mentioned fifteen centers and whose refund amount exceeds Rs. Ten Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Bid-cum-Application form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the refund banks for the same would be borne by the Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in 1, 2 & 3 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value upto Rs. 1,500 and through Speed Post / Registered Post for refund orders of Rs. 1,500 and above.

UNDERTAKING BY THE COMPANY

The Company undertake as follows:

- (a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- (c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Dispatch of Refund Orders" on page no. 147 of this Red Herring Prospectus shall be made available to the Registrar to the Issue by the Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;
- (e) that the promoter's contribution in full, shall be brought in advance before the issue opens for public subscription;
- (f) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- (g) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Red Herring Prospectus are listed or until the Bid Money's are refunded on account of non-listing, under-subscription etc.

UTILISATION OF ISSUE PROCEEDS

The Board of Directors of the Company certifies that:

- (a) all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilised;
- (c) details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, 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.

Subscription by Non-Residents

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 or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company 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, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY
INCREASE REDUCTION AND ALTERATION OF CAPITAL AND VARIATION OF RIGHTS**Increase of Capital by the Company and how carried into effect**

5. The Company in General Meeting may, from time to time by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.

New Capital same as existing capital

6. Except so far as otherwise provided by the conditions issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture. Lien surrender, transfer and transmission, voting and otherwise.

Further issue of capitals

7. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

- a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date ;
- b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
- d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

8. Notwithstanding anything contained in sub-clause (7) 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 (7) hereof) in any manner whatsoever.

- a) If a special resolution to that effect is passed by the Company in general meeting, or
- b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

9. Nothing in sub-clause (c) of (7) hereof shall be deemed:

- a) To extend the time within which the offer should be accepted; or
- b) To authorize 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.

10. Nothing in this Article shall apply to the increase of the subscribed capital the Company caused by the exercise of an option attached to the debentures issued by the Company:

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with 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 the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans

Shares at the Disposal of the Directors

11. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such

person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Limitation of time for issue of certificates

12. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

Issue of new certificate in place of one defaced. Lost or destroyed

13. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof; and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/= for each certificate) as the Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

Directors May Refuse To Register Transfer

14. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused 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 where the Company has a lien on shares.

Instrument of Transfer

15. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of a transfer of shares and registration thereof.

No Fee on Transfer or Transmission

16. 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.

Payment in Anticipation of Call May Carry Interest

17. The Directors may if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment,

become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Company's Lien on Shares/Debentures

18. The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the complaints 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.

Term of Issue of Debenture

19. 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 no 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.

Unpaid or Unclaimed Dividend

20. Where the Company has declared a dividend but which has not been or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled to be called ".....Unpaid Dividend Account" Any money transferred to the unpaid dividend account of a company which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

Power to issue Redeemable preference shares

21. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the company are to be liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption Provided that :-

- i. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
- ii. No such shares are redeemed unless they are fully paid:
- iii. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.
- iv. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available 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.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms in such manner as may be provided in these Article or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think it.

(c) Where in pursuance of this Article, the Company has it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if these shares had never been issued and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of the shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far relates to stamp duty be deemed to have been issued in pursuance of this Clause unless the old shares are redeemed within one month after the issue of the shares.

(d.) The Capital Redemption Reserve Account may notwithstanding anything in this article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as full paid bonus shares.

(e) The holder of Preference Shares shall have a right to vote only on Resolutions which directly affect the rights attached to his preference shares. The Preference share holders shall also be entitled to vote on every kind of Resolution placed before the Company at any meeting until and then only for so long as their dividends are more than two years in arrears preceding the date thereof.

(f) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to, be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.

Provision in case if redemption of preference shares

22. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than one month previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:-

(a) The Shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and

(b) After every such drawing, the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Shares Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificates comprise any shares, which have not been drawn for redemption the Company shall Issue to the holder thereof a fresh certificate therefore

Reduction of Capital

23. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of section 78, 80 and 100 to 104 of the Act, reduce its share capital and any capital redemption Reserve Account or premium account in any manner for the time being authorized by law and in particular without prejudice to the generality of the foregoing power may by:

a) either with or without extinguishing or reducing liability on any of its shares, payoff any paid up share capital which is in excess of the wants of the Company

b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or unrepresentative by available assets; or

And may, if and so far as if necessary, alter its Memorandum by reducing the amount of its shares capital and of its shares accordingly

Division sub-division consideration conversion and cancellation of shares

24. Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alters the conditions of its Memorandum as follows:

(a). Consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares

(b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may. Subject to the provisions of the Act be given any preference or advantage over the others or any other such shares.

(c) Convert, all or any of its fully paid up shares into stock, and reconverts that stock into fully paid up shares of any denomination.

(d) Cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its shares capital by the amount of the shares so cancelled.

Notice to Registrar of consolidation of Share capital conversion of shares in to stock etc.

25. If the Company has:-

i) Consolidated and divided its Share Capital into shares of larger amount than its existing shares;

ii) Converted any shares into stock;

iii) reconverted any stock into shares;

iv) Sub-divided its share or any of them;

v) redeemed any redeemable preference shares; or

vi) cancelled any shares otherwise than in connection with a reduction of Shares Capital under Section 100 to 104 of the Act, the Company shall comply with the provisions of Section 95 of the Act.

Dematerializations of Securities**26. a) Dematerialization of Securities**

Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares or buyback its shares in a dematerialized form pursuant to the Depositories Act, 1996.

b) Option for Investors

Every person subscribing to the securities offered by the Company shall have the options to receive share certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of depository, if permitted by law, in respect of any security in the manner provided by the depositories Act, 1996 and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

c) Securities in Depositories to be in fungible form

Securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 187 and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

d) Rights of depositories and beneficial owners

i) Notwithstanding anything to the contrary contained in the Act or these Articles, depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ii) Save as otherwise provided in (a) above, the depository as registered owner of securities shall not have any voting rights or any other rights in respect of the securities held by it.

iii) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all liabilities in respect of his/her securities which are held by a depository.

e) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held by in a depository, the records of the beneficial ownership may be served by the depository on the company by means of electronic mode or by delivery of floppies or discs.

f) Transfer of securities

Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of Depository.

g) Allotment of Securities dealt with in a Depository

Notwithstanding anything in the Act or these Articles, where the securities are dealt with a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

h) Distinctive number of Securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the company shall apply to securities held with a depository.

i) Register and index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be register and Index of members and Security holders for the purpose of these Articles.

SHARE AND CERTIFICATES**Issue of further shares not to affect right of existing Share Holders**

27. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or modified or affected by the creation or issue of further shares ranking part passu therewith.

Register of Members and debenture holders

28. The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and index of Debentures-holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture-holders in accordance with Section 57 of the Act.

Restriction on allotment

29. The Board shall observe the restriction as to allotment of shares to the public contained in Section 69 and 70 of the Act and

shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Shares to be numbered progressively and no shares to be sub-dividend

30. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Acceptance of shares

31. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member

Deposits and calls etc. to be a debt payable immediately

32. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them immediately, on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly

Issues of Certificates of shares to govern by section 84 of the Act etc.

33. The issue of shares or of duplicate or renewal of certificates of Shares shall be governed by the provision of Section 84 and other Provisions of the Act, as may be applicable and by the rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law The Board of Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being

Certificate of Shares

34. The certificate of title to shares shall be issued under the seal of the Company and shall be signed by such Directors or Officers or other authorized persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time

Limitation of time of issue of certificate

35. a) Every member shall be entitled without payment to one or more Certificate in the marketable lot for all the shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fee as the Board of Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery of such Certificate within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide Every, Certificate of share shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a Certificate of shares to one of several joint holders shall be sufficient delivery to all such holders. "Provided, however, no share certificate(s) shall be issued for share held by the "Beneficial Owner(s)".
- b) The Company shall not entertain any application for split of share debenture certificate for less than 10 (Ten) shares/debenture (all relating to the same series) in market lot as the case may be.
Provided however this restriction shall not apply to an application made by the existing member or debenture holder for split of share/debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the company.
- c) Notwithstanding anything contained in Clause (a) above the Board of Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new certificate in place of one defaced lost or destroyed

36. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate.

Every Certificate under this Article shall be issued without payment of fees, the Directors so decide, or on payment of such fees (not Rs. 1/- for each Certificate) as the Directors shall prescribe. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

Provided that notwithstanding what is stated above the Directors shall comply with such rule or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act 1956 or any other Act, or Rules applicable in this behalf.

37. The Provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.

Buyback of shares

38. The Company can buyback its shares pursuant to Section 77 A and 77B of the Companies Act, 1956 and also subject to other sections/permissions as required from time to time from the prescribed authorities under applicable provisions, if any.

UNDERWRITING COMMISSION AND BROKERAGE**Power to pay certain commission and prohibition of payment of all other commissions discounts etc.**

39. 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 subscriptions, whether absolute or conditional, for any shares or debentures in the Company, but so that the commission shall not exceed, such percentage of the price at which the shares or the debentures are issued as may be, from time to time, prescribed under the Act

Brokerage

40. The Company may also, on any issue of shares or debentures. Pay such brokerage as may be lawful.

CALLS

41. That any amount paid up in advance of calls on any share, may carry interest, but shall not in respect thereof have a right to dividend or to participate in profits.

42. That option or right to call of shares shall not be given to any person, except with the sanction of the Company in general meeting.

Director may make calls

43. The Board of Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the condition of allotment, by a resolution passed at a meeting of the Board. (and not by circular resolution) make such calls as they think fit upon the members/debentures holders in respect of all moneys unpaid on the Shares/Debentures held by them respectively and each member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments A call may be postponed or revoke as the Board may determine

Notice of Call

44. One months notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of. Payment of such call, the Board of Directors may be notice in writing to the members/debentures holders revoke the same

Directors may extend time

45. The Board of Directors may, from time to time, at their discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the members/ debenture holders who from residence at a distance or other cause, the Board of Directors may deem, fairly entitled to such extension, but no member/debenture holder shall entitled to such extension save as a matter of grace and favour.

Sums deemed to be calls

46. Any sum, which by the terms of issue of a share/debenture becomes payable on allotment of at any fixed date, whether on account of the nominal value of the Share/ Debenture or. by way of premium. shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the form of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

When interest on call or installment payable

47. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Board of Directors may waive payment of such interest wholly or in part.

Partial payment not. to preclude forfeiture

48. Neither a judgment nor a decree in favour of the company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

49. The provisions of these Articles shall mutatis mutandis, apply to the calls on debentures of the Company.

LIEN**Company's lien on shares debentures**

50. The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up) shares/debentures) holder (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/debenture shall be created except upon the footing and condition the Article 39 hereof 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 Company's at any time declare any share/debentures wholly or in part to be exempt from the provisions of this Clause.

As to enforcing lien by sale

51. For the propose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect 'of such shares and/or debentures and may authorize one of their member or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debenture-holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture-holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, discharge of such debts, liabilities or engagement for fourteen days after such notice.

Applications of proceeds of sale

52. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the' shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.

Outsiders lien not to effect Company's lien

53. The Company shall be entitled to treat the registered holder of any shares or debenture as the absolute owner thereof and accordingly shall' not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in. such shares or debentures on the part of any other person. The company's lien shall prevail notwithstanding that it has received notice of any such claims.

FORFEITURE**If call or installment not paid notice must be given**

54. If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debenture either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgments or decree in respect of thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture-holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with .any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment

In default or payment shares or debentures to be forfeited

55. If the requirements of any such notice as aforesaid arc not complied with any share/ debenture in respect of which such notice has been given, may at any time there after before payment of all calls or installments, interest and expenses or other moneys due in respect thereof: be forfeited by a resolution of the Directors to that effect, Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the company, in respect of the payment of any such money, shall preclude the Company from there after proceeding to enforce a forfeiture of such shares herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

Entry of forfeiture on register of members/debenture holders

56. When any share/debentures shall have been so forfeited notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debenture-holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited share/debenture to be property of Company and may be sold

57. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re allotted or otherwise disposed of either to the original holder or to any other person upon such-terms and in such manner as the Board of Directors shall think fit.

Power to annual forfeiture

58. The Board of Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

Share holders or debenture holders still liable to pay money owing at time of forfeiture and interest.

59. Any member or debenture-holder whose shares or debenture have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board of Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

60. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

Certificate of forfeiture

61. A Certificate in writing under the hand of anyone of the Directors or any Officer authorized by the Board of Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

Validity of sale under Article 64 and 69

62. If necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of such shares or debenture. The validity of the sale shall not be impeached by any person.

Cancellation of share/debentures certificate in respect of forfeited share debenture

63. Upon any sale, re-allotment or other disposal under the provisions of the proceedings Articles, the certificates originally issued in respect of the relative shares or debentures shall (unless the same shall be demanded by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Board of Directors shall be entitled to issue a duplicate certificates in respect of the said share or debenture to the person/s entitled thereto.

Title of purchase and allottee of forfeited share/debenture

64. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration if any, nor shall his title to the share or debenture be affected by any, irregularity or invalidity in the proceedings in reference to forfeiture sale/ re-allotment or other disposal of the share or debenture.

Surrender of shares or debentures

65. The Directors may, subject to the provisions of the Act accept a surrender of any share or debenture from or by any member or debenture-holder desirous of surrendering those on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES**Register of transfer**

66. The Company shall keep a book to be called the 'Register of transfer' and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of transfer

67. The instrument of transfer shall be in writing and all the provisions of section 108 of the Act shall be duly complied with in respect of all transfer of shares and registration thereof.

Instrument of transfer to be executed by transferor/transferee

68. Every such Instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Directors may refuse to register transfer

69. Subject to the provisions of Section III of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 the Board of Directors may, at their absolute and uncontrolled discretion, 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 Board of 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 the registration of such transfer shall not be refused on the ground of the transferor being either along or jointly with any other person or persons indebted to the company on any account whatsoever except where the company has a lien on the shares.

70. Nothing in Section 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission by operation of law of the rights to, any shares or interest or a member in, or debentures of the Company.

Transfer of shares

71. (A) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article the Company shall unless objections made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee

(B) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(C) It shall be lawful for the Company to register a transfer of shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the same, address and occupation if any, of the transferee has been delivered to the Company along-with the Certificate relating to the shares and if no such Certificate is in existence, along-with the letter of allotment of shares. The Board of Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Director of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(D) Nothing in clause (c) above shall prejudice any power of the Company to register as Share holder any person to whom the right to any share has been transmitted by operation of law.

(E) The Company shall accept all applications for transfer of shares/debentures; however, this condition shall not apply to requests received by the Company:

(a) For splitting of a share or debenture certificate, into several scripts of very small denominations,

(b) Proposals for transfer of share/debenture comprised in a share/debenture certificate to several parties involving splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need: provided, however, that this condition shall not apply to;

i) Transfer of Equity Share/debenture made in pursuance of any statutory provision or an order of a competent court of law.

ii) The transfer of the entire Equity Share/debentures by an existing Shareholder/ debenture holder of the Company holding under one folio less than 10 (ten) Equity shares or 5 (five) debentures (all relating to the same series) less than in market lots by a single transfer to single or joint transferee.

iii) the transfer of not less than 10 (ten) Equity shares or 5 (five) debentures (all relating to the same series in favour of the same transferee(s) under two or more transfer deed, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity shares/5 (five) debenture.

iv) The transfer of less than 10 (ten) Equity Shares or 5 (five), debentures (all relating to the same series) to the existing Shareholder/debenture-holder subject to verification-by the Company.

Provided that the Board may in its absolute discretion Waive the aforesaid conditions in a reasonable and proper case(s) and the decision of the Board shall be final in such case(s).

v) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Custody of instrument of transfer

72. the instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Board of Directors may decline to register shall on demand be returned to the persons depositing the same. The board of Directors may cause to, be destroyed all transfer deeds laying with the Company utter such period as they may determine.

Transfer books and register of members when closed

73. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture-holders at such time or times and for such period or periods; not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

Transfer to minor etc.

74. Only fully paid shares or debentures shall be transferred to a minor acting through his/ her legal or natural guardian. Under no circumstances. Shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to shares of deceased member

75. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder 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 whom the Company will be bound to recognize as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate as the case may be from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit. the Directors' may dispense with the production of probate or letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 96 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.

Registration of persons entitled to share otherwise than by transfer

76. (a) Subject to the provisions of the Act, any person becoming entitled to any share in consequence of the death lunacy bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect, of such share or elect to have some person nominated by him and approved by the Directors, registered as a member in respect of such shares, provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representatives shall, although, the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Claimant to be entitled to same advantage

77. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends interest bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as members

78. (a) A Person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debentures.

(b) This Article shall not prejudice the provisions of Articles 63 and 75

Refusal to register nominee

79. The Board of Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration.

Directors may require evidence of transmission

80. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Fee on transfer or transmission

81. A fee not exceeding 50 (fifty) paise per shares may be charged in respect to the transfer or transmission to the same party, of any number of shares of any class or denomination subject to such maximum fee on any one transfer or on transmissions as may from time to time be fixed by the Board of Directors. Such maximum fee may be a single fee payable on any one transfer or transmission of any number of shares of one class of denomination or may be a graded scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Board of Directors in their discretion determine.

82. The Board of Directors shall have director (which they may exercise from time to time and for any period of time) not to charge any fee in respect of the transfer or transmission of shares, and the Directors shares also comply with rules, regulations of Stock Exchange or the status concerned applicable in this behalf.

The Company not liable for disregard or a notice prohibition registration of transfer

83. The Company shall incur no liability or responsibility whatsoever in consequence of its registration or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest in or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend for give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, thought it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

84. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operating of law of debentures of the company. Notwithstanding, anything, contained in Articles 96 to 108, the Directors shall, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

JOINT HOLDERS

Joint Holders

85. Where two or more persons are registered as the holders of any share/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint, tenants with benefits of survivorship, subject to the following and other provisions contained in these Article.

No transfer to more than as joint holders

86. The Company shall not register more than three persons as joint holders of any shares/ debentures.

Transfer by joint holders

87. In the case of a transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the holders.

Liability of joint holders

88. The joint holders of any shares/debentures shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such shares/debentures

89. On the death of anyone or more of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the shares/ debentures, but the Board of Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other persons.

Receipt of one sufficient

90. Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debentures.

Delivery of certificate and giving of notice to first named holder

91. Only the person whose name stands first in the Register of Members/debenture-holders as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice, which expression shall be deemed to include all documents as defined in the Act and any document served on or sent to such person shall be deemed service on all the joint holders.

Vote of joint holders

92. If there be joint registered holders of any shares, anyone of such persons 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 such jointholders be present at in any meeting, that one of the said persons so present whose name stands first on the Register of Member 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 present at the meeting. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this c1ausc be deemed joint holders.

Nomination by shareholders

93. a) every holder of shares in, or holder of debentures of the Company may, at any time, nominate in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death.

b) Where the shares in or debentures of the company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders

c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purpose to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the share holder or holder of debenture of the Company or, as the case may be, on the death of the joint-holder become entitled to all the rights in the shares, or debentures of the Company or, as the case may be all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in prescribed manner.

d) Where the nominee is a minor it shall be lawful for the holder of the shares or holder of the debentures, to nominate in the prescribed manner any person to become entitled to shares in or debentures of the Company, in the event of his death during the minority.

BORROWING POWERS

Power to borrow

94. Subject to the provisions of Section 58A, 292 and 293 of the Act the Board may from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Power or repayment of moneys borrowed

95. Subject to the provisions of the Act, the payment or payment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Resolution shall prescribe including by the issue of debentures or debenture stock of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debentures

96. 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 or any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise and subject to the following:

- a) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
- b) Payments of certain debts out of assets subject to floating charge in priority to claim under the charge may be made in accordance with the provisions of section 123 of the Act.
- c) The term 'Charge' shall include mortgage in these Articles.
- d) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.
- e) The Company shall within three months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debenture or debentures-stocks have complete and shall deliver the Certificate of all the debentures stocks allotted or transferred unless the conditions of issue of the debentures or debentures stocks otherwise provided.

The expression 'Transfer' for the purpose of this clause means, a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

i) A copy of the Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of such fee as may be from time to time, prescribed under the act.

1. In the case of printed Trust Deed of the sum of Rupees one and
2. In case of a Trust Deed which has not been printed of thirty seven paise for every one hundred, words or functional part thereof required to be copied.

ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture-holder of the company in the same manner, to the same extent, and on payment of the same fees as it were the Register of members of the Company.

Debentures etc. to be subject to Directors

97. Any debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of

the Directors who may issue them, upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

98. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in, general meeting accorded by a Special Resolution.

Indemnity may not be given

99. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Trust and recognized

100. No notice of any trust, express or implied or constructive shall be entered on the Register of Debenture holders

GENERAL MEETING

Annual general meeting

101. Subject to the provisions contained in Section 166 and 210 of the Act, as far as applicable the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period

Annual Summary

102. The Company may in anyone annual general meeting fix the time of its subsequent annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting, which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Directors' report, the audited statement of accounts and auditors' report (if any not already incorporated in the audited and statements of accounts). The proxy registered with the Company and Register of Directors' share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Register in accordance with sections 159, 161 and 220 of the Act.

Time and Place of Annual General Meeting

103. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.

Sections 171 to 186 of the Act shall apply to meeting

104. Section 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture-holders of the Company in like manner as they apply with respect to general meeting of the Company.

Extra-ordinary general meeting

105. The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid-up share Capital of the Company as at that date carries the right of voting in regards to the matter respect of which the requisition has been made.

Requisition of members to state object of meeting

106. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one more requisitionists.

On receipt of requisition. Directors to call meeting and in default requisitionists may do so.

107. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

108. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

- a) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.
- b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto:
- c) In the case of an annual general meeting by all the members entitled to vote there at; and
 - i. In the case of any other meeting, by members of the Company holding not less than 95 (Ninety Five) percent of such part of the paid-up Capital of the Company as gives a right to vote at the meeting.

Provided that were any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clauses in respect of the former resolution or resolutions and not in respect of the latter.

- ii) Where any item of business consists-of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

PROCEEDINGS AT GENERAL MEETING**Quorum for meetings**

109. Five members personally present shall be the quorum for a meeting of the Company. If quorum not present meeting to be dissolved or adjourned

If quorum not present meeting to be dissolved or adjourned

110. If within half all hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, the Board may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

Present of Quorum

111. No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Business confined to election of chairman whilst chair vacant

112. No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Chairman of General Meeting

113. The Chairman of the Board of Directors shall be entitled to take chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may elect one of themselves to be the Chairman and in default of their doing so, the members present shall elect one of themselves to be the Chairman.

Chairman with consent may adjourn the meeting

114. The Chairman with the consent of the meeting may adjourn any, meeting from time to time and from place in the city, town or village where the registered office of the Company is situate.

Business at adjourned meeting

115. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Notice of adjourned meetings

116. When a meeting is adjourned only for thirty days or more notice of the adjourned meeting shall be given as in the case of original meeting.

In what cases poll taken with or without adjournment

117. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

Proxies

118. Any member of the Company entitled attend the vote a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead on himself. A member (and in ease of Joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll

Deposit of instrument of appointment

119. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of attorney or authority shall be lodged with the Company not later than 48 (Forty-eight) hours before the meeting in order that the appointment may be effective thereat. The instrument appointing a proxy shall:

- i) Be in writing and;
- ii) Be signed by the appointed or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or any attorney duly authorized by it.

Form of Proxy

120. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in such other form as the Directors may approved from time to time.

VOTE OF MEMBERS**Restrictions on exercise of voting right of members who have not paid calls etc.**

121. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

Restricting on exercise of voting right in other cases to be void

122. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period providing the date on which the vote is taken or on any other ground not being a ground set out in Article 134.

Voting to be by show of hands in first instance

123. At any general meeting a resolution to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

No. of votes to which members entitled

124. Subject to the provisions of the Act and these Articles, upon show of hands every member entitled to vote and present in person shall have one vote and 'upon a poll, of every member entitled to vote and present in person or proxy shall be in proportion to his share of the paid up equity share capital of the Company,

No voting by proxy on show of hands

125. No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate by proxy or by a representative duly authorised under Section 187 or 187 A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

How member non-competent/minor may vote

126. A members of unsound mind or in respect of whom the order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands, or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or anyone of his guardians, if more than one to be selected in case of dispute by the Chairman of the meeting.

Votes in respect of share of deceased or insolvent members etc.

127. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Custody of instrument

128. If any such instrument of appointment be 'confined to the object of appointing proxy or substitute for voting at meetings of Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of votes given by proxy not with standing death of members etc.

129. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

Time for objections for vote

130. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose or such meeting or poll whatsoever.

Chairman of any meeting to be the judge of every vote

131. The Chairman of any meeting shall be 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 and:

- a) Within thirty days of the conclusion of every such meeting concerned entry thereof in books kept for that purpose with their pages consecutively numbered.
- b) Each page of every such shall be initialed or signed and the last page of the record or proceedings of each meeting in such books shall be dated and signed
 - (i) In the case of minutes of proceedings of the Board or of Committee thereof by the Chairman of the said meeting or (he Chairman of the next succeeding meeting.
 - (ii) In the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, if thirty days or ill the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose
- c) In no case of the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat
- e) All appointments of officers made at any of the meeting aforesaid shall be included the minutes of the meeting
- f) In the case of a meeting of a Board of Directors or of a Committee of the Board, the minutes shall also contain:
 - i) The names of the Directors present at the meetings, and;
 - ii) In the ease of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - (i) is, or could reasonable be regarded as defamatory of any person;
 - ii) is irrelevant or immaterial to the proceedings; or
 - iii) is detrimental to the interest of the Company,

The Chairman shall exercise an absolute discretion in regard to the inclusion or non inclusion of any matter in the minutes on the ground specified in these clauses.

Minute to be considered to be evidence

132. The minutes of meetings kept in accordance with the provision of Section 193 of the Act shall be evidence of the proceedings recorded therein

Inspection of minute books of general meetings

133. The books containing the minutes of the proceedings of any general meeting of the Company shall:

- i) be kept at the registered. Office of the Company and;
- ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day arc allowed for inspection.

Chairman's Casting Vote

134. In the case of any equality of votes, whether on a show of hands- or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to casting vote in addition to his own vote or votes to which he may be entitled as a member.

Demand for poll

135. before or on the declaration of the result of the voting on any resolution by a show of hands. a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by any member or members present in pen/Oh or by proxy and holding shares, in the company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the persons who made the demand

Time of taking poll

136. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct

Right of a member to use his votes differently

137. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be need not, if he votes "use, all his votes or east in the same way all the votes be uses.

Scrutinizers at poll

138. a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.

b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizers arising from such removal or from any other cause.

c) Of the two scrutinizers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) Present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

139. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Minutes of proceedings of general meeting and of board and other meetings

140. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making.

BOARDS OF DIRECTORS**No. of Directors**

141. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 (Three) and more than 12 (Twelve) including nominee Directors.

The first Directors of the Company shall be:

1. Shri Rajesh Punia
2. Smt. Savita Punia

Debenture Director

142. Any Trust Deed for securing debentures or debenture stocks may, if so arranged, provided for the appointment from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debentures stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as 'Debenture Director' and the term 'Debenture Director' means the Director for the time being in office under this Article. The Trust Deed may contain such provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Directors

143. a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Financial Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as Financing Corporation or Credit Corporation or any other Financing Company or Body continue to hold debentures in the Company as a result of underwriting or by direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the corporation on behalf of the Company remains outstanding, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors is/ are hereinafter referred to as 'Nominee Director/s' on the Board of the Company, and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place.

b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Financial Corporation such Nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the corporation such Nominee Director(s) shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

c) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid of or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

d.) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/arc member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

e) The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled to but if any other fees, commission, monies and remuneration in any form is payable to the Directors of the Company, the fees, commission monies and remuneration in relation to such Nominee Directors shall (accrue to the corporation and same

shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connections with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be at such Nominees Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by 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 powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director, in the management of the affairs of the Borrower. Such Nominee Director(s) shall be entitled to receive such remuneration fees commission and monies as may be approved by the Corporation.

Appointment of Alternate Director”

144. The Board of directors of the Company may appoint an alternate Director to act for a Director (hereinafter in this Article called 'the original Director') during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held

145. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he returns to the State foresaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

Appointment of additional Directors

146. Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold the office only up to the next annual general meeting of the Company and shall then be eligible for re-appointment.

Appointment of directors to fill the casual vacancy

147. Subject to the provisions of Section 262 of the Act, if the office of the Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors in the meeting of the Board and the Directors so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Qualification of Directors

148. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

Remuneration of Directors

149. a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the company may be paid remuneration either by way of the monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

b) Subject to the provisions of the Act, a Director who is neither in the whole time employment or a Managing Director may be paid remuneration either:

- i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
- ii) by way of commission if the Company by a special resolution has authorized such payment.

c) The fee payable to Directors (other than Managing or Whole time Directors if any) for attending each meeting of the Board or Committee therefore shall be such sum as may be prescribed by the Act or Central Government from time to time.

Traveling and other expenses

150. The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider air compensation for traveling, Boarding and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meetings to and from, the places at which the meetings of the Board or Committee thereof or general meeting of the Company are held from time to time or any other place at which the Director executes his duties.

Remuneration for extra services

151. To any Director, being willing shall be called upon to perform extra services or to take any special extensions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentages of profit or otherwise, as may be determined by the Board of Directors but not exceeding that permitted under Section 198, 309, 310 and 311 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Directors not to act when numbers falls below minimum

152. Where the number of Director in office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning general , 'meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Directors Vacating Office

153. Subject to Sections 283 of the Act, the Office of a Director shall become vacant if:

- (i) he is found to be of unsound mind by a court of Competent Jurisdiction
- (ii) he applies to be adjudicated an insolvent
- (iii) he is adjudged an insolvent
- (iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for tilt: payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure
- (v) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors, for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board
- (vi) he, whether by himself or by any person by his benefits or on his account or any firm in which he is a partner or ay private Company of which be is a Director accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act
- (v) he acts in contravention of Section 299 of the Act
- (vi) he becomes disqualified by an order of Court under Section 203 of the Act be is removed in pursuance of Section 284 of the Act
- (ix) having been appointed a Director by virtue of his holding any office or other employment in the Company, he cease to hold such office or other employment in the Company.
- (x) He resigns his office by notice in writing given to the Company.

Removal of Directors

154. a) The Company may (subject to the provisions of section 284 and other applicable provisions of the Act and there Articles) remove any Director other than ex-officio Directors or debenture Directors or a Nominee Director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

b) Special notice as provided by Section 190 of the Act shall be required for any resolution to remove a Director under this Article or to appoint some other persons in place of a Director to remove at the meeting at which he is removed.

c) On receipt of notice of resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is member of the Company) shall be entitled to be heard on the resolution at the meeting.

d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless, the representations are received by it too late for it do so.

i) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and
 ii) send a copy of representation to every members of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company), and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to the heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have hold office if he had not been removed as aforesaid.

f) If the vacancy is not filled under Clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly.

Provided that the Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.

g) Nothing contained in this Article shall be taken:

- i) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or
- ii) as derogating from any power to remove a Director which may exist apart from this Article.

Directors may contract with company,

155. a) Subject to the restrictions imposed by these Articles and by section 292,293,295,297,300, 311 and 370 and any other provisions of the Act, no Director, Managing Director or other officer or employee of the Company may contract with the company either as vendor, purchaser, agent broker or otherwise, and any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director, other officer or employee shall be in any way interested shall not be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realized by any such contractor or arrangement by reason only of such Director, Managing Director, officer or employees holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable

b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote..

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.

c) A General notice such as is referred to in sub-section (3) of the Section 299 of the Act shall be sufficient disclosure under this article as provided in that Section.

Directors may be director of Companies promoted by the Company

156. A Director, Managing Director, Officer or employee of the Company may be, or become a Directors,' of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or Member of such Company, except to the extent and under the circumstances as may be provided in the Act.

ROTATION OF DIRECTORS**Rotation of Directors**

157. Not less than one thirds of the total number of Directors shall

- a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- b) Save as otherwise expressly provided in the Act; be appointed by the company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company in general meeting.

Ascertainment of Directors returning by rotation and filling up vacancies

158. a) At every annual general meeting one-third of such or the Directors for the time being as are liable to retire by rotation, or if their number is not three, then the number nearer to one-third, shall retire from office.

b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves, be determined by lot.

c) At the annual general meeting at which a Director retires as aforesaid, the company may fill up the vacancy by appointing the retiring Director or some other person thereto.

d) i) If the place of the retiring Director is not filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time in place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:

- at the meeting or at the previous meeting a resolution for the re-appointment of such, Director has been, put to the meeting and lost;
- the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed or
- he is not qualified or is disqualified for appointment a resolution, whether special or ordinary, is required for his appointment or
- reappointment in virtue of any provisions of the Act; or

e) the provision to sub-section (2) of Section 263 of the Act if applicable to the case In these Articles the expression "Retiring Director" means Directors retiring by rotation.

Right to persons other than retiring Directors to stand for Directorship

159. A person who is not a retiring director shall in accordance with Section 257 of the Act and subject to the provisions of the Act be eligible for appointment to the office of Director at any general meeting if he or some member or members intending him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his

hand signifying his candidature for the office of Director of the intention of such member or members to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be. To such member, if the person succeeds in getting elected as a Director. A meeting of the Director for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.

Procedure in case of want of quote

160. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

Directors may appoint committee

161. Subject to the provisions of Section 292 and other provisions of the Act, the Board of Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Meeting of committee how to be governed

162. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors, under the last preceding Articles

Resolution by Circular

163. Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or numbers of such committee as aforesaid for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.

Provided that the resolution has been circulated in draft together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors or then in India or by majority of such of them as are entitled to vote on the resolution.

Acts of board or Committee valid notwithstanding defect of appointment

164. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director and 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 determined.

Minutes of proceedings of the board and the Committee to be valid

165. The Directors shall cause minutes to be duly entered in book or books provided for the purpose in accordance with the Articles and Section 193 of the Act.

POWER OF DIRECTORS

Power of Board

166. The Board shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act of the Articles of the Company are for the time being vested in or exercisable by the Board generally.

Certain powers to be exercised by the board only at meeting

167. a) without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at meetings of the Board.

- i) The power to make calls on shareholders in respect of money unpaid on their shares:
- ii) The powers to issue debentures:
- iii) The power to borrow moneys otherwise than on debentures;
- iv) The power to invest the funds of the Company and
- v) The power to make loans

Provided that the Board may by resolution at the meetings, delegate to any Committee of Directors, the Managing Director, the Manager or to any other principal officer of the Company or in the case of a branch office of the company, a principal officer of the Company, a principal officer of the branch office, the powers specified in sub-clause (iii) (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribed.

b) Every resolution delegating the power referred to in sub-clause (iii) of the clause (a) shall specify the total amount outstanding at anyone time upon which moneys may be borrowed by the delegate.

c) Every resolution delegating the power referred to in subsection clause (iv) of clause (a) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

d) Nothing In this article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clause (i), (ii), (iii), (iv) and (v) of clause (a) above.

e) Every resolution delegating the powers referred to in sub-clause (v) of clause (a) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made for each such purpose in individual cases.

Restrictions on Powers of Board

168. a) The Board of Directors of the Company shall not except with the consent of the company in general meeting

i) Sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.

ii) Remit, or give time for the repayment of any debt, due by a Director

iii) Invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the Compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on

only with difficulty or only after a considerable time.

iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to

say, reserves not set apart for any specific purpose; or

v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its aggregate net profits as determined in accordance with the provisions of Section 349 and 350

of the Act during the three financial years immediately proceeding, which ever is greater.

General power of the company vested in Directors

169. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Board of Directors and they may exercise all such powers and do all such acts and things as the powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations not being inconsistent with the Memorandum of Association and these Articles or the Act, From time to time made by the Company in general meeting provided.

MANAGING DIRECTOR

Power to appoint Managing or whole time Directors

170. a) Subject to provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Directors or Managing Director and/or whole time Directors and/or Special Director like Technical Director, Financial Directors, of the Company for a term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/ Whole time Director/s, Technical Directors (s), financial Directors (s) and Special Director (s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subjects to such restrictions as it may determine. The remuneration of such Directors may be by way of monthly remuneration in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

b) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as 'Joint Managing Director' or 'Joint Managing Directors' or 'Deputy Managing Directors' as the case may be.

Special position of Managing Director

171. A Managing Director other than Joint/Deputy Managing Director Shall not, while he continues to hold that office, is subject to retirement by rotation, in accordance with Article 164. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be the Managing Director.

Interest may be paid out of Capital

175. Where any shares in the Company for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant which cannot be, made profitable for a lengthy period, Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, of the provisions of the plant.

DIVIDENDS**Division of Profits**

176. The Profits of the Company subject to any special rights relating thereto created or authorized to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up on credited as paid up on the shares held by them respectively.

Dividends Payable to registered holder

177. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

Time for Payment of Dividend

178. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.

Capital paid up in advance and Interest not to earn evidence

179. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confers a right to dividend or to participate in profits.

Dividends in Proportion to Amount paid-up

180. a) The Company shall pay dividends in proportion to the amount paid-up or credited as paid-up on each share, when a larger amount is paid-up or credited more paid-up on such shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of section 208 of the Act.

b) Provided always that any capital paid-up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Company in General Meetings may declare dividend

181. The Company In general meeting may declare a dividend to be paid to the members according to their respective rights and "interests in the profits and may fix the time for payment.

Power to Director to declare dividends

182. No longer dividend shall be declared than is recommended by the Board of Directors but the Company in general meeting may declare a smaller dividend.

Dividends to be paid only out of profits

183. No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Sub-section (2) of Section 205 of the Act or out of the profits of the company for any previous year or years arrived at after providing for depreciation in accordance with these provisions remaining accordance with these provisions remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by the Government 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 to that 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 (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

184. Where owing to inadequacy or absence of profits in any year, the company proposes to declare dividend out of the

accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in such accordance with such rules as may be made by the Central Government in this behalf and where any such declaration is not in accordance with such rules, such declaration shall not be made except with the approval of the Central Government.

Director's declaration as net profits conclusive

185. The declaration by the Board of Directors as to the amount of the net profits of the Company shall be conclusive.

Retention of Dividend until completion to transfer under Article

186. The Board of Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the company justifies.

No members of receive dividend whilst indebted to the company

187. Subject to the provision of the Act, the Board of Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission clause of these articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No members of receive dividend whilst indebted to the Company and Company's right to reimbursement there from

188. Subject to the provisions of the Act, no member shall be entitled to receive, payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Transferred shares must be registered

189. A transfer of share shall not pass on the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

190. Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holder to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his banker. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the members or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Unpaid dividend or Dividend warrant posted

191. a) Where the Company has declared a dividend but which has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of ORIENTAL TRIMEX LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to who the money is due.

Not Interest on dividends

192. No unpaid dividend shall bear interest as against the Company and no unclaimed dividend shall be forfeited by the Board.

Dividend and together

193. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may it so arranged between the Company and the members be set off against the calls.

Special provision in reference to dividend

194. Subject to the provisions of Section 205 of the Act and if and in so far as may not be prohibited by that section or any of the provisions of the Act, any general meeting sanctioning or declaring a dividend in terms of these articles may direct payment or such dividend, wholly or in part, by the distribution of partly or fully paid up shares, and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificate or that fractions of less value than Rupee on e may be discharged in order to adjust the rights of the parties and may vest any such shares, in trustees upon such trusts for the person entitled to the dividend as may seem expedient to the Directors, where required the Directors shall comply with Section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

ACCOUNTS

196. The provisions of Section 209 to 222 of the Act shall be complied with in so far as the same is applicable to the company.

197. a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to:

- i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- ii) All sides and purchases of goods by the Company and
- iii) The assets and liabilities of the Company,

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall, within seven days of the decision file with the Registrar a notice in writing give the full address of that other place.

b) If the Company shall have a branch office, whether in or outside India, a proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarized returns made up-to date at intervals of not more than three months, shall be sent by the branch office of the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

Books to give fair and true view of the company's affairs

198. a) all the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transaction.

b) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

c) The books of account of the Company relating to a period of not less than eight year immediately proceeding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by members

199. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts books and documents of the company or any of them shall be open to the Inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the company except as conferred by statute or authorized by the Directors or by a resolution of the company in general meeting.

Statements of Account to be furnished to meeting

200. The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Right of members copies of balance sheet and auditors report

201. Subject to Section 219 of the Act and these Articles a copy of every Balance Sheet (Including Profit and Loss Account, the Auditors report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet) shall at least twenty one days before the date of the meeting at which the same are to be laid before the members, be sent to every member of the Company to every trustees for the holder of any debentures issued by the Company and to all persons entitled to receive notice of general meetings of the Company.

202. A copy of every Balance Sheet (Including Profit and Loss Account, the Auditors' Report and every document required by law to be annexed or attached as the case may be to the Balance Sheet), need not be sent in case shares of the Company are listed on a recognized Stock Exchange and in such case a copy of such Balance Sheet (Including Profit and Loss Account, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall be made available for inspection at the Registered Office of the company during working hours for a period of twenty-one days before the date of the meeting. And provided further that a statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit, will be sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty-one days before the date of the meeting as laid down in Section 219 of the Act and all the rest of the provisions of this Section shall apply in respect of the matters referred to in this Articles.

WINDING UP**Distribution of assets**

209. a) Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in

proportion to the capital paid up, or which ought winding up on the shares held by them respectively. And if in winding up, the

assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which out to have been paid up on the shares held by them respectively.

b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind

210. Subject to the provisions of the Act

a) If the Company shall be wound up whether voluntarily or otherwise the liquidators may with the sanction of a Special Resolution and other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

b) if thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributors (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded all-together or in part but in case any division otherwise that in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the rights, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

c) In case any shares to be divided as aforesaid involves a liability to call or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

Rights of shareholders in case of sale

211. Subject to the provision of the act, a special resolution sanctioning a sale to any other company duly passed may in like manner as aforesaid, determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the right of dissent, if any, if such right be given by the Act.

INDEMNITY AND RESPONSIBILITY

Directors and other right to indemnity

213. a) Subject to the provisions of Section 201 of the Act, every Director, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, Out of the funds of the Company to pay all costs, losses, and expenses (including traveling expenses) which such Director, Manager, Secretary and officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach a lien on the property of the Company and have priority between the member over all other claims.

b) Subject as aforesaid, every Director, Managing Director Manager. Secretary or other officer and employees of the Company shall be indemnify against any liability incurred by him in defending any proceeding whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

Directors and other officers not responsible for the act of others

214. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Whole time Director or other officer of the company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of the Company for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by way error of judgment or oversight on his part or for any other loss or damage or misfortune whatsoever which shall happen in the execution of the duties, of his office or in relation there to, unless the same happens through his own dishonesty.

SECTION X - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus, have been delivered to the Registrar of Companies, Delhi and Haryana, for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company, from 10.00 a.m. to 4.00 p.m. on any working day from the date of the Red Herring Prospectus until the date of closing of the Issue.

Material Contracts

1. Memorandum of Understanding, dated May 31, 2006 signed between the Company and Allianz Securities Limited, the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated December 30, 2006 signed between the Company and Canara Bank, the Lead Manager to the Issue.
3. Memorandum of Understanding, dated May 18, 2006 signed between the Company and Beetal Financial & Computer Services (P) Limited, the Registrar to the Issue.
4. Copy of the Tri-partite Agreement dated January 16, 2007 between NSDL, the Company and Beetal Financial & Computer Services (P) Limited.
5. Copy of the Tri-partite Agreement dated January 17, 2007 between CDSL, the Company and Beetal Financial & Computer Services (P) Limited.
6. Appraisal Note. JKB/Adv./CP/06/315 of Jammu and Kashmir Bank dated May 29, 2006.
7. Syndicate Agreement dated [•] executed between the Company and the Syndicate Members.
8. Escrow agreement dated [•] executed between the Company, Book Running Lead Manager, Share Transfer Agents and Escrow Bankers.

Documents for Inspection

1. Memorandum and Articles of Association of Oriental Trimex Limited, as amended from time to time.
2. Certificate of Incorporation of Oriental Trimex Limited Limited Dated 22nd April, 1996.
3. Copy of board resolution passed on March 2, 2006 and Special Resolution passed at EGM dated March 31, 2006 u/s 81 (1A) authorizing the Issue of Equity Shares.
4. Copies of letters to BSE and NSE regarding In-principle approval for Listing.
5. Copies of In-principle approvals from BSE and NSE dated September 28, 2006 and dated October 19, 2006 respectively.
6. Copies of Auditors Reports issued by Statutory Auditors of the Company M/s Wadhwa Mehra & Co., Chartered Accountants, regarding reinstated financials of the Company for last 5 financial years and period ended December 15, 2006, dated December 26, 2006 and Certificate dated January 1, 2007 regarding the deployment of funds in relation to the expansion programme till that date.
7. Copy of letter dated January 17, 2007 from Legal Advisors for the vetting and approval of the Red Herring Prospectus.
8. Lease Agreements for Granite Quarries at Rairangpur dated June 25, 2004 and Behrampur, Orissa dated April 19, 2006
9. Sanction letter No. JKB/Adv.CP/06/504 dated May 4, 2006 from Jammu and Kashmir Bank for sanction of working capital facility and Term loan.
10. Term Loan Agreement from Jammu and Kashmir Bank dated May 29, 2006
11. Sanction letter dated September 16, 2006 from State Bank of Bikaner and Jaipur for sanction of working capital facility and Term loan.
12. Consent letters from Directors, Book Running Lead Managers to the Issue, Lead Manager, Syndicate Members, Bankers to the Issue, Bankers to the Company, Statutory Auditors, Legal Advisors to the Issue, Registrar to the Issue, Company Secretary, Appraising Agency and Compliance Officer to act in their respective capacities and for inclusion of their names in the Red Herring Prospectus.
13. Copies of Annual Reports of the Company for the last 5 accounting periods i.e. 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 and also for the period ended on December 15, 2006.
14. Copies of Annual Reports of Promoter Companies and Promoter Group Companies.
15. Due Diligence Certificate dated July 18, 2006 issued by Book Running Lead Managers to the Issue viz. Allianz Securities Limited.
16. A copy of the SEBI Final observation letter no. CFD/DIL/NB/JAK/18979/2006 dated December 11, 2006 received from SEBI, Mumbai in respect of the Public Issue of Oriental Trimex Limited.
17. Present Terms of employment and remuneration between the Company and the Directors are fixed by way of Board meetings and approved by the Shareholders.

SECTION XI - DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF ORIENTAL TRIMEX LIMITED

Rajesh Punia
Managing Director

Savita Punia
Director

Sunil Kumar
Director

Vivek Seth
Director

Mahesh Chandra Mehta
Director

Dharam Vir Gupta
Director

Y.K. Govil
Financial Controller

Date: January 23, 2007

Place: New Delhi