

# TIMBOR

## TIMBOR HOME LIMITED

(Our Company was originally incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 04-37984 issued by the Registrar of Companies, Dadra & Nagar Haveli, Gujarat. The name of Our Company was changed to IKI Timbor Private Limited vide Fresh Certificate of Incorporation dated February 8, 2005. The name of our company was further changed to Timbor Home Private Limited with fresh Certificate of Incorporation with effect from May 22, 2007 and subsequently our Company was converted into Public Limited Company vide a Fresh Certificate of Incorporation on June 13, 2009 and consequently the name of our Company was changed to "Timbor Home Limited". Corporate Identification Number of our Company is U72200GJ2000PLC037984. For details of changes in Registered Office, please refer to the Chapter titled "History and Corporate Matters" beginning on Page No.116 of this Red Herring Prospectus.

**REGISTERED OFFICE:** A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad, Gujarat – 380 013, India.

Tel. No. + 91 - 79 - 2756 0537, Fax No. + 91 - 79 - 2755 2596, Website: [www.timborhome.com](http://www.timborhome.com)

Email: [jpo@timborhome.com](mailto:jpo@timborhome.com); Contact Person: Ms. Akanksha Kailash Bijawat, Company Secretary & Compliance Officer

**PROMOTERS:** MR. ANANT SURESHCHANDRA MALOO, MR. MANAN VIDYAPATI PATEL,  
MR. ABHIJEET DWARKADAS DAGA & MALOO BUILDING MATERIAL PRIVATE LIMITED

**PUBLIC ISSUE OF 36,90,000 EQUITY SHARES OF ₹ 10/- EACH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE) FOR CASH AGGREGATING UPTO ₹ [•] LAKHS (THE "ISSUE"), BY TIMBOR HOME LIMITED (THE "COMPANY" OR THE "ISSUER"). THE ISSUE WILL CONSTITUTE 25.00% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.**

**PRICE BAND: ₹ [•] TO ₹ [•] PER EQUITY SHARE OF FACE VALUE ₹ 10 EACH.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.**

**THE FLOOR PRICE IS [•] TIMES THE FACE VALUE AND THE CAP PRICE IS [•] TIMES THE FACE VALUE**

The Price Band and the minimum bid lot size will be decided by our Company, in consultation with the Book Running Lead Manager and advertised at least two(2) working days prior to the bid/issue opening date.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE), by issuing a press release and also by indicating the change on the website of the Company, Book Running Lead Managers ("BRLM") and the terminals of the 'Syndicate member(s)'.  
The Issue is being made through the 100% Book Building Process, wherein upto 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

#### RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. **The face value of the Equity Shares is ₹ 10/- each and the Issue Price of ₹ [•] per share is [•] times of the face value at the lower end of the Price Band and [•] times of the face value at the higher end of the Price Band.** The Issue Price (as determined and justified by the BRLM and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in 'Basis for 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 our Company or regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares 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 document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 12 of this Red Herring Prospectus.**

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### IPO GRADING

This Issue has been graded by CRISIL and has been assigned the "IPO Grading 1/5", indicating that the fundamentals of IPO are poor. For Details kindly refer 'General Information' beginning on page 37 and 'Material Contracts and Documents for Inspection' beginning on page 322 of this Red Herring Prospectus.

#### LISTING ARRANGEMENT

The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Our Company has received In-principle approvals from BSE and NSE vide their letters dated **October 15, 2010** and **February 11, 2011** respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

#### BOOK RUNNING LEAD MANAGER



#### CORPORATE STRATEGIC ALLIANZ LIMITED

402, Samedh Complex, Near Associated Petrol Pump, C.G. Road,  
Ahmedabad – 380 006, Gujarat- India.  
Tel No: -079- 2642 4138, TeleFax No:- 079- 4002 4670  
SEBI REGN NO: INM 000011260  
Email Id: [jpo@csapl.com](mailto:jpo@csapl.com) Website: [www.csapl.com](http://www.csapl.com)  
Contact Person: **Mr. Chetan Sharma**

#### REGISTRAR TO THE ISSUE



#### PURVA SHARE REGISTRY INDIA PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, JR Borica Marg  
Lower Parel (East), Mumbai – 400 011, Maharashtra – India.  
Tel No: +91-022-23018261/ 23016761 Fax No: +91-022-23012517  
SEBI REGN NO: INR 000001112  
Email Id: [busicomp@vsnl.com](mailto:busicomp@vsnl.com) Website: [www.purvashare.com](http://www.purvashare.com)  
Contact Person: **Mr. Rajesh Shah**

#### ISSUE PROGRAM

**BID/ISSUE OPENS ON : 30<sup>th</sup> May, 2011**

**BID/ISSUE CLOSURES ON : 2<sup>nd</sup> June, 2011**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATION

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

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

### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BG/LC	Bank Guarantee / Letter of Credit
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
DP / Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant’s identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account established in accordance with the FEMA
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations,



	2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/Government	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles of India
INR / Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
Mn / mn / Mln	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR / Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RoNW	Return on Net Worth
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to Time
SEBI Regulations / SEBI (ICDR) Regulations, 2009	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
UIN	Unique Identification Number
USD/ US\$	United States Dollars

#### ISSUE RELATED TERMS

Term	Description
Application Form	The form in terms of which the investors shall apply for the equity shares of our Company
Allotment	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue



Allottee	A successful Bidder to whom Equity shares are allotted
Application Supported by Blocked Amount/ ASBA	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies transferred by the SCSBs from the bank accounts of the ASBA Applicants
ASBA Bidder/ Investor	All Prospective Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with single option as to the number of shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/ her bid; and (iv) is not bidding under the Employee Reservation Portion
ASBA Form / ASBA BCAF	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus
ASBA Bid Revision Form	The form used by ASBA Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened and for the purpose of this Issue being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure" – Basis of Allotment" on Page No. 225 of the Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by Prospective Bidder to subscribe to the Equity Shares of our Company at Cut-off Price through ASBA Bid-cum-Application Form.
Bid Lot/ Minimum Bid Lot	[●] Equity shares and in multiples of [●] Equity shares thereafter
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid-cum-Application Form / Bid Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the members of the Syndicate and SCSBs shall start accepting Bids for the Issue, which shall be the date notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated
Bid / Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue, which shall be notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes an ASBA Bidder
Bidding Centre	A centre for acceptance of the Bid cum Application Form
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can

	submit their Bids, including any revisions thereof
Book Building Process/Method	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
BRLM/ Book Running Lead Manager	Book Running Lead Managers to the Issue, in this issue being; Corporate Strategic Allianz Limited
Brokers to this Issue	Brokers registered with any recognized Stock Exchanges appointed by the Members of the Syndicate.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated equity shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinates Bids under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
Cut-off Price	Any price within the Price Band finalized by the Company in consultation with the BRLM. A Bid submitted at Cut-Off price is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders and Eligible Employees who's Bid Amount do not exceed Rs. 100,000, are entitled to Bid at Cut-Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price. It is mandatory for ASBA Bidders to Bid at the Cut- Off Price
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Designated Branches	Such branches of the SCSBs which shall collect Bid cum Application Form from the ASBA Bidders and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account and the SCSBs transfer amount blocked in the bank accounts of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant Identity
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus filed with the SEBI on September 27, 2010, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase Equity Shares offered thereby
Electronic ASBA Application/ Bid	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Equity Shares	Equity shares of our Company of ₹ 10/- each unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds (excluding ASBA Bidders) on the terms and conditions thereof

ESOS	Employees Stock Option Scheme
ESPS	Employees Stock Purchase Scheme
FII	Foreign Institutional Investors and sub-accounts, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
Financial Year / Fiscal / FY	Period of twelve months ended March 31 of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Issue/Issue Size	Public issue of 36,90,000 equity shares of ₹10/- each of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) aggregating to ₹ [●] Lacs (the 'Issue')
Issue Management Team	The Team managing this issue as set out in the chapter titled 'General Information' in the Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be allotted in the Issue in terms of the Red Herring Prospectus. The Issue price will be decided by our Company in consultation with the BRLM, on the Pricing Date
Issue proceeds	The proceeds of the Issue that are available to the Company
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being Full bid amount on bidding.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the QIB Portion being 92,250 Equity Shares of ₹10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] Lacs, available for allocation to Mutual Funds only, out of QIB Portion.
Members of the Syndicate	The BRLM and the Syndicate Members
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses.
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have bid for an amount of more than ₹ 2,00,000/-
Non Residents	A person who is not resident in India except NRI's and FII's
NRI / Non-Resident Indian	A non-resident is a person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not permitted to subscribe in this Issue.
Pay-in-Date	Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount
Pay-in-Period	(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 Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN



Person/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.
Physical ASBA Application / Bid	ASBA Bid- cum Application Forms submitted by ASBA Investor physically with the designated branches of the SCSB's
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] per Equity Share and the maximum price (Cap Price) of ₹ [●] per Equity Share and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC after finalization of the Issue Price in accordance with Section 60 of the Companies Act and the SEBI Regulations, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the number of Equity Shares offered in the Issue and certain other information
Qualified Institutional Buyers or QIBs	<p>“Qualified Institutional Buyer” means:</p> <ol style="list-style-type: none"> <li>I. a mutual fund, venture capital fund and foreign venture capital investor registered with the Board;</li> <li>II. a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board;</li> <li>III. a public financial institution as defined in section 4A of the Companies Act, 1956;</li> <li>IV. a scheduled commercial bank;</li> <li>V. a multilateral and bilateral development financial institution;</li> <li>VI. a state industrial development corporation;</li> <li>VII. an insurance company registered with the Insurance Regulatory and Development Authority;</li> <li>VIII. a provident fund with minimum corpus of twenty five Crore rupees;</li> <li>IX. a pension fund with minimum corpus of twenty five Crore rupees;</li> <li>X. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>XI. Insurance funds set up and managed by Army, Navy or Air Force of the Union of India.</li> <li>XII. Insurance funds set up and managed by the Department of posts, India.</li> </ol>
Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies from the Escrow Account on the Designated Date
QIB Portion	The portion of this Issue being up to 50% of the Issue, i.e. 18,45,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lacs, available for allocation to QIBs, of which 5% shall be reserved for Mutual Funds.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made





Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, NEFT, Direct Credit or RTGS as applicable
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being, Purva Shareregistry (India) Private Limited
Resident Retail Individual Bidders	Retail Individual Bidder who is a person resident in India as defined under FEMA
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than ₹ 2,00,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being at least 35% of the Issue i.e. 12,91,500 Equity Shares of ₹10 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] Lacs, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision forms
Self Certified Syndicate Bank / SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and as notified by SEBI from time to time
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLM, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders
Stock Exchange	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate or Members of the Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

#### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association	Articles of Association of our Company
Auditors	The Statutory auditors of our Company, being M/s. Arvind A. Thakkar & Co; Chartered Accountants
Board of Directors/Board	The Board of Directors of our Company or a committee constituted thereof
Director(s)	Director(s) of our Company unless otherwise specified
Group Companies	The Companies firms and ventures promoted by the Promoters, and enumerated in "Financial Information of our Group Companies" on Page No. 164 of this Red Herring Prospectus.
MD	Managing Director
Memorandum/Memorandum of Association	Memorandum of Association of our Company as amended from time to time



Promoters	Promoters of our Company, namely: Mr. Anant Sureshchandra Maloo Mr. Manan V. Patel Mr. Abhijeet D. Daga M/s. Maloo Building Material Private Limited
Promoter Group	Promoters, Promoters Group Entities and Promoter Group Individuals.
Registered Office	The Registered office of our Company, located at A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad – 380 013, Gujarat, India
ROC	Registrar of Companies, Gujarat, situated at ROC Bhavan, Opp Rural Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013
WTD	Whole Time Director

### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
BIS	Bureau of Indian Standards
BPLR	Bank Prime Indian Rate
BWR	Boiling Water Resistant
CBM	Cubic Meter
CEC	Central Empowerment Committee
CIF	Cost, Insurance and Freight
DIC	District Industries Centre
EPCG	Export Promotion Capital Goods Scheme
FMV	Fair Market Value
FOB	Free On Board
GPCB	Gujarat Pollution Control Board
GIDC	Gujarat Industrial Development Corporation
HDF	High Density Fiber Board
HPL	High Pressure Laminates
HT	High Tension
IPR	Intellectual Property Rights
IT	Information Technology
KVA	Kilo-Volt- Ampere
MDF	Medium Density Fiber Board
MF	Melamine Formaldehyde
MGVCL	Madhya Gujarat Vij Company Limited
MIS	Management Information System
MM	Millimeter
MR	Moisture Resistant
MTR	Meter
MW	Mega Watt
NOC	No Objection Certificate
O&M	Operations & Maintenance
PR	Particle Board
PLPB	Pre Laminated Particle Board
PPB	Plain Particle Board
PLC	Programmable Logical Control
QC	Quality Control



RFT	Running Feet
RMT	Running Meter
Sq.D	Square Diameter
Sq.M	Square Meter
TPL	Torrent Power Limited
UGVCL	Uttar Gujarat Vij Company Limited
Unit I	7, Shubhlaxmi Industrial Estate, Sarkhej – Bavala Highway, Changodar – 382213, Ahmedabad, Gujarat
Unit II	Plot No. 401,402 GIDC Industrial Estate, Umreth, District: Anand, 388220 Gujarat
Unit III	Shed No. A/18 & 19, 20 & 21 Ground Floor, Mahalaxmi Industrial Estate, Near Chokshi Tube, GIDC Phase -1, Vatva, Ahmedabad -382445



## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### Financial Data

Unless stated otherwise, the financial information used in the Red Herring Prospectus derived from our financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations included elsewhere in this Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2009), are to the Financial Year ended March 31 of that particular year. In the Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

### Currency of Presentation

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lacs" means "one hundred thousand" and the word "million" means "ten Lac" and the word "Crore" means "ten million". Throughout this Red Herring Prospectus, all figures have been expressed in Lacs. Unless otherwise stated, all references to "India" contained in this Red Herring Prospectus are to the Republic of India.

### Market and Industry Data

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained or derived from industry publications and/or publicly available government documents. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in the Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with the Issue.



## FORWARD LOOKING STATEMENTS

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

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- 1) General economic and business conditions in India;
- 2) Our ability to successfully implement our growth strategy and expansion plans and to successfully achieve the objectives for which funds are being raised through this Issue;
- 3) Prices of raw materials we consume and the products we produce.
- 4) Changes in laws and regulations relating to the industry in which we operate;
- 5) Changes in political and social conditions in India;
- 6) Any adverse outcome in the legal proceedings in which our Company is or may be involved; and
- 7) The loss or shutdown of operations of our Company at any times due to strike or labour unrest or any other reason.

For a further discussion of factors that could cause our actual results to differ, *please refer Section titled “Risk Factors” beginning on page 12 of the Red Herring Prospectus, and Chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of operations” beginning on pages 90 and 167, respectively of the Red Herring Prospectus.* By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.



## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in the Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in the Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline. In addition, the risks set out in the Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

### **Materiality**

The Risk factors shall be determined on the basis of their materiality. In determining the materiality of risk actors, the following shall be considered:

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

### **PROJECT RELATED RISKS AND INTERNAL TO THE COMPANY**

- 1) *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue".***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates for the project may exceed the value that would have been determined by third party appraisals and may require us to reschedule our project expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

- 2) *No Monitoring Agency has been appointed for monitoring the utilisation of Issue proceeds by our Company.***

"As per Regulation 16(1) of SEBI (ICDR) Regulations, 2009, the issue size does not exceeds Rupees five hundred crores, therefore No Monitoring Agency to be appointed for the utilization of Issue Proceeds by the Company. However, the Audit Committee of the Board would monitor the deployment of the issue proceeds. In terms of clause 49 of the listing agreement to be entered with the Exchanges where our shares are proposed to be listed, the Audit Committee shall monitor the uses/applications of funds, on a quarterly basis as a part of their quarterly declaration of financial results. Further, on an annual basis the Company shall prepare a statement of funds utilized for purposes mentioned in the RHP and place the same before the Audit Committee. Such disclosures shall be made only till such time that the money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company.

- 3) *We have not yet placed orders for 4 Machineries aggregating ₹ 127.46 lacs, out of 7 Machineries aggregating ₹ 259.60 Lacs required by us. Any delay in placing the orders/ or supply of Machineries may result in time and cost overruns, and may affect our profitability.***

We have not yet placed orders for 4 Machineries aggregating ₹ 127.46 Lacs required by us which constitutes 49.16% of the total Machineries equipments required.. We are subject to risks on account of inflation in the price of Machineries. Our Company has received quotations for these Machineries, and negotiations with the vendors have commenced. Since the funding for the Machineries is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders for the remaining Machineries.

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

Our Company is involved in certain legal proceedings and claims in relation to certain civil, criminal and tax matters incidental to its business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us liable and may adversely affect our business and results of operations. There has been No other Criminal / Legal Liability against/by our Company and against /by our promoter other than mentioned below:

**Cases filed against Our Company**

(₹ In Lacs)

Type of Legal Proceedings	Total Number of Pending Cases	Amount Involved
Civil Cases	1	Under Investigation
Service Tax	1	Under Investigation

*For further details regarding these legal proceedings, please refer to Chapter titled “Outstanding Litigations, Material Developments and Other Disclosures” beginning on Page no.183 of the Red Herring Prospectus.*

**5) We have limited protection of our Intellectual Property.**

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

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

**Details of Trade Mark:**

SR. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
1	TIMBOR CUCINE	No 1595114	The Registrar of Trade Marks, Trade Marks Registry, Ahmedabad	20	27/08/2007	31/03/2009
2	Kitchengineer	TM Application	- do -	41	25/09/2008	Under Process



		No 1737122				
3	TIMBOR	TM Application No 1769236	- do -	20	30/12/2008	Under Process
4	IKI	No.1301014	-do-	20	06/08/2004	15/11/2005

#### Details of Copyright

SR. No.	Copyright Name	Reference Number	Issuing Authority	Class	Date of Application	Date of Registration & Number
1	TIMBOR	Ref No. 26-11-09/2153/TM/2008-09	The Registrar of Trade Marks, Trade Marks Registry, Ahmedabad	20	23/11/2009	A – 89569/2011 dated 06.01.2011

- 6) ***Our Cash flow has been negative from operations during the previous years. In the event that our future cash flows continue to be negative it may hamper our ability to meet our financial obligation.***

(₹ In Lacs)

Particulars	Period Ended 31.03.2006	Period Ended 31.03.2007	Period Ended 31.03.2008	Period Ended 31.03.2009	Period Ended 31.03.2010	Period Ended 31.12.2010
Cash provided by operating activities	(32.17)	(182.76)	(697.99)	(466.11)	(773.31)	(314.10)
Net cash used in investing activities	(68.73)	(28.51)	(216.70)	(319.70)	(381.30)	(307.43)
Net cash used in financing Activities	104.81	200.62	960.59	763.24	1154.06	622.07
Net increase / (decrease) in cash and cash equivalents	3.91	(10.66)	45.90	(22.58)	(0.54)	0.54

- 7) ***Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure in obtaining/or renew any approvals or licenses in future may have adverse impact on our business operations***

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals, or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. *For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on Page No. 186 of the Red Herring Prospectus.*



- 8) Our ability to pay dividends will depend upon further earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors.**

Till date our Company has not paid any dividends. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends in the future. Additionally, the terms of any financing we obtain in the future, may contain restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

- 9) Our Success depends largely upon the services of our Promoters, Executive Directors and other key managerial personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.**

Our Company and our Promoters have over the years built relations with suppliers, clients and other persons who are connected with our business. Further, our key managerial personal also possess the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company's performance is dependent upon the services of our Promoters, our Executive Directors and other key managerial personnel. Our future performance will therefore depend upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process knowledge.

- 10) Delay or defaults in clients payments in future could result in a reduction of our Profits**

Our Company may be subject to working capital shortages due to delays or defaults in payment by clients. If in future clients default in their payments to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

- 11) We have entered into Related Party Transactions in the recent years. Such transactions or any further transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company**

Our Company has entered into certain Related Party Transactions with the promoters, directors, promoter group, and group concerns/entities: *For details please refer to Chapter titled "Auditors Report and Financial Information of Our Company" beginning on Page No. 145 of the Red Herring Prospectus.*

There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of our operations.

- 12) Liability of the promoters to allot further shares in case of Issue Price is Lower than the Conversion Price of the Debenture Issued to Bennett Coleman & Co. Ltd. (BCCL).**

The Agreement with Bennett Coleman & Co. Ltd. (BCCL) was executed on 27th July, 2007 for allotting one Debenture for a consideration of ₹ 5 Crores and as per the pricing formula of the Agreement, the Company had allotted 23,46,316 Equity Shares of ₹ 10/- each at a Premium of ₹ 11.31 per share on 16th February 2010.

If the Issue Price is Lower than the Conversion Price at which Debentures are converted into shares than the Promoters are liable to transfer such number of shares from their shareholding after the completion of Lock-in period so that the Conversion price match with Issue price. On account of such transfer promoters holding in the Company will be diluted. For further details

regarding Restrictive Covenants which are affecting Equity Shareholders; please refer to “*History and Corporate Matters*” under the heading *Shareholder’s Agreement* on Page No. 119 of this Red Herring Prospectus.

**13) Restriction on sale of shares to Third Parties who is not an affiliate of the Promoters resulting into shareholding falling below 75% of Issued & Outstanding Capital of the Company.**

As per the Subscription Agreement entered into with the BCCL on 27th July, 2007, any sale or disposal by the Promoters resulting in the Promoter’s shareholding falling below 75% of the Issued & Outstanding Capital of the Company, the Promoter’s shall not be permitted to carry out such sale or otherwise dispose those shares held by the Promoters, unless simultaneously with the sale, the purchaser makes an offer in writing to BCCL to purchase all the BCCL shares held by BCCL in the Company on the same terms & conditions at which the Purchaser is acquiring from the Promoters.

The promoters cannot dispose of or sell shares to third party who is not an affiliate of the Promoters resulting into shareholding falling below 75% of Issued & Outstanding Capital of the Company without considering sale of all the shares of BCCL to the third party. For further details regarding Restrictive Covenants which are affecting Equity Shareholders; please refer to “*History and Corporate Matters*” under the heading *Shareholder’s Agreement* on Page No. 119 of this Red Herring Prospectus

**14) Liability of the promoters to allot further shares in case of Issue Price is Lower than the Issue Price of ₹ 98 per share issued to Brand Equity and Treaties Ltd. (BETL).**

The Issue Price is Lower than the Subscription Price at which shares are issued to BETL, the Promoters are liable to transfer such number of shares from their shareholding after the completion of Lock-in period so that the Subscription price match with Issue price. As per the Agreement with Brand Equity Treaties Ltd. (BETL), the company had allotted 2,73,470 Equity Shares of ₹ 10/- each at a Premium of ₹ 88/- per share on 30th April, 2010. If the Issue Price is Lower than ₹ 98/- at which shares are issued to BETL, the Promoters are liable to transfer such number of shares from their shareholding after the completion of Lock-in period so that ₹ 98/- match with Issue price. On account of such transfer promoters holding in the Company will be diluted. For further details regarding Restrictive Covenants which are affecting Equity Shareholders; please refer to “*History and Corporate Matters*” under the heading *Shareholder’s Agreement* on page no. 119 of this Red Herring Prospectus.

**15) Allotment of shares on preferential basis at varying rates to different persons in the past two years.**

The company had allotted 10,00,000 Equity Shares to promoters on May 7,2009 at Rs 10/- per share, 23,46,316 Equity Shares to Bennet Coleman & Co. on Feb 16,2010 at Rs 21.31 per share and 2,73,470 Equity Shares to Brand Equity Treaties Ltd on April,30,2010 at Rs 98 per share. The company had also allotted 2 shares each to Brand Equity Treaty Ltd, Writer & Publishers Ltd and Chandrakant P. Dodia.

The allotment of shares to promoters in the year 2009 was to increase the promoters shareholding on account of issue of shares to non promoters . The allotment of shares to Bennet Coleman & Co at Rs 21.31 per share is on account of Debenture Subscription agreement executed by the company in the year 2007. The allotment of shares to Brand Equity Treaties Limited at Rs 98/- per share is on the basis of valuation made by the allottee.

- 16) Our Company may face risks arising from any disproportionate increase in labour costs including in relation to increased wage/salary demands, labour unrest, or claims arising from accidents. Though in the past, we have not experienced any labour/manpower unrest in our organisation due to the factors mentioned above, we cannot assure you that such unrest will not occur in the future, as a result of which our business operations and financial performance may be adversely impacted.**

As on 31<sup>st</sup> March 2011, our Company has manpower strength of 111 employees. Our employee strength may increase with increase in our operations. At present, our Company's workmen are not represented by any labour unions. Though in the past, we have not experienced any labour/manpower unrest in our organization there is no assurance that we will not experience future disruptions to its business operations due to problems with its workforce. In FY 2010, the staff cost has substantially increased out of our Company's total cost of operations. In the event the cost of labour continues to increase, we may be unable to pass on the additional increase to our customers due to market conditions and pricing pressure from our competitors. This would result in our Company being required to absorb the additional increase in cost, which may have a material adverse effect on our profitability. Any upward revision of the prescribed minimum wage or other benefits required to be paid to our workers (including in the event of injuries or death sustained in course of employment, dismissal or retrenchment), or unavailability of the required number of labour in future, may adversely affect the revenues and operations of our Company.

- 17) Demand for our services may decrease during an economic recession may adversely our profitability and financial condition**

The furniture industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, price increases by carriers, interest rate fluctuations, and other economic factors beyond our control which may adversely affect the revenues and operations of our Company.

- 18) Mishaps or accidents could result in a loss or slowdown in operations and could also cause damage to life and property.**

The services provided by our Company are subject to operating risks, including but not limited to, breakdown or accidents & mishaps. While, till date, there have not been any incidents involving mishaps or major accidents, we cannot assure that these may not occur in the future. Any consequential losses arising due to such events will affect our operations and financial condition.

- 19) Our Company have entered treaty agreement with Brand Equity Treaties Ltd and Writer & Publishers Limited (D.B.Corp Limited)**

As on 21 October 2009, Our Company have entered into treaty with Brand Equity Treaties Ltd and issued 2,73,472 shares at the face value of ₹10 per share and issue price of ₹ 98 per share aggregating to ₹ 27,34,720/- (Rupees Twenty Seven Lacs thirty four thousand seven hundred Twenty only) and have issued 68,368 Bonus shares on 11 June 2010.

As on 18 August 2008, Our Company have entered into treaty with Writer & Publishers Limited and issued 111113 Equity Shares at a face value of ₹ 10 per share and issue price of ₹ 360 per share aggregating to ₹ 11,11,130 (Rupees Eleven Lacs Eleven Thousand One Hundred and Thirty Only) and have issued 111111 Bonus shares on 10 June 2009 and 55556 Bonus shares on 11 June 2010 aggregating to 277780 shares

Brand Equity Treaties Ltd and Writer & Publishers Limited has the right to sell/ transfer the shares with prior any notice to our Promoter and/ or our Company. Further dilution of shares would affect the shareholding pattern of Promoter



For further details regarding Restrictive Covenants which are affecting Equity shareholders, please refer to "History and Corporate Matters" under the heading Shareholder's Agreement on Page No. 119 of this Red Herring Prospectus.

**20) Our Promoter Company have incurred losses during recent financial years**

Our Promoter Company M/s. Maloo Building Material Pvt. Ltd. incurred losses as disclosed under:

(₹ In Lacs)			
Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Profit/ Loss After Tax	(14.83)	(14.68)	(6.70)

**21) Our Company, Promoter and our Group Companies have unsecured Loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our group**

As per Financial Statements, as on December 31<sup>st</sup>, 2010, we have unsecured loan of ₹ 217.33 Lacs which is repayable on demand. Further details of these unsecured loans; please refer to "Auditors Report and Financial Information of Our Company" on Page No.145 of this Red Herring Prospectus.

Further, our Promoter Company also has unsecured loans which are repayable on demand:

**Details of Unsecured Loans for M/s. Maloo Building Material Pvt. Ltd. as on 31.03.2010**

(₹ In Lacs)	
Particulars	Amount
<b>From Directors</b>	<b>19.59</b>
Mr.Abhijeet Daga	15.91
Mr. Anant S. Maloo	3.68
<b>From Companies</b>	<b>36.26</b>
Maloo Polymers Ltd	1.65
Relin Healthcare Pvt Ltd	34.61
<b>From Members</b>	<b>5.90</b>
Jagdishbhai M. Patel	5.90
<b>From Others</b>	<b>25.00</b>
Mukeshbhai Shah	15.00
Rupaben M. Shah	5.00
R.D.Shah Investment Corporation	5.00
<b>Grand Total</b>	<b>86.75</b>

Any demand from lenders for repayment of such unsecured loans, the cash outgo, may adversely affect our business operations and operations of our Group Companies. Further it may also adversely impact the financial position of our group.

**22) Raw Materials including wood, coating chemicals, and hardware which constitutes the largest component of our material costs, is sourced from external suppliers based on our assessments of periodic requirements.**

Our Company is dependent largely on external suppliers for the timely supply of raw materials. We procure our raw material from manufacturers and authorized distributors appointed by the manufacturers based on our requirement. We analyze the production requirement on a monthly basis; based on which we place orders to our suppliers. Wood procurement constitutes a significant part of our cost and total lead time. Any substantial delay in supply or non conformance to quality requirements by our suppliers can impact our ability to meet our customer



requirements and thus impact our profitability. Further, if we fail to correctly analyze our product requirement or non-availability of required raw materials or any other item of production in desired quantity and quality at the right time may adversely affect our sales commitment and profitability.

**23) *Our Company does not have any long- term contracts with our general and major customers which may adversely affect our results of operations.***

Our Company neither has any long-term contract with any of dealers/retailers/distributors nor any marketing tie up for our products with any of retail chain operators etc. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. Our inability to sell our existing products as well as products to be produced after our proposed expansion, may adversely affect our business and profitability in future.

**24) *Our inability to maintain distribution network can adversely affect our Revenues.***

We sell our products with the help of our network of exclusive stores. The network of our exclusive stores sells our products to end users. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased capacities, can adversely affect our Revenues. In case, if we are not able to market our manufactured products, it may affect our operations and profitability adversely.

**25) *Our Company faces stiff competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

Most of the end-users are price conscious. Pricing is one of the factors that play an important role in selection of these products. The market for our products is highly competitive on account of both the organized and unorganized players. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins.

**26) *Our business requires high working capital. In case there are insufficient cash flows to meet our requirement or our inability to arrange the same from other sources, there may be an adverse impact on the results of our operations.***

Our business demands substantial fund and non-fund based working capital facilities. In case there is insufficient cash flows to meet our working capital requirement or our inability to arrange the same from other sources or due to other factors including delay in disbursement of arranged funds, resulting in our inability to finance our working capital needs when needed or there is any increase in interest rate on our borrowings, it may adversely affect our performance.

**27) *Our Success is also dependent on the success of our research and development and the failure to develop new and better products from time to time, may adversely affect our business.***

Our success also depends on our ability to continue developing new products as well as improving the quality of our existing products. We cannot assure that our research and development department will be successful in developing new and better products as per changing market conditions and/or requirement of our end users, which may adversely affect our business. Further, there can be no assurance that a new product will be commercially successful. If research and development department efforts do not result in a pipeline of products that can be commercially exploited, our results of operations and financial condition may be adversely affected.

**28) *Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could harm our business.***

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

**29) *The nature of our business is time-bound and any inability on our part to convey our products to our distributors/dealers/end users at the right time, could have a material adverse effect on our business, results of operation and financial condition.***

Dealers/retailers; distributors are generally situated close to the geographically dispersed customers, and far from our production facilities. We have to ensure that our products reach the end users exactly when they need them. Therefore, any interruption in our ability to reach our products to the distributors/dealers/end users, due to any reason including those not within our control, could have a material adverse effect on our business, results of operation and financial condition.

**30) *Decline in prices of our products may reduce our profit margins.***

Prices of our products are influenced by several factors, including the inherent strength and productivity of the product, supply of competing product(s) in the market, demand from dealers/retailers, among others. Any adverse changes in terms of sale price, including not being able to revise prices in accordance with cost increases and other relevant factors including those not being in our control, may lead to a material adverse effect on our sales margins, profitability which would have a material adverse effect on our business, results of operations and financial condition.

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

We rely on certain labour contractors who provide us on-site labour for performance of some of our operations. There is a possibility that on an application from the contract labourers, the appropriate court / tribunal may direct that the such contract labourers are required to be regularized or absorbed, and / or may direct that our Company to pay certain compensation in this regard. In that event, it may result in an increase in our wage cost and consequently, may affect our profitability

**32) *We do not have a track record for payment of dividend on Equity Shares.***

We have not declared and hence paid any dividend on our Equity Shares since inception as we had been deliberately pursuing the policy of ploughing back our profits to fund our expansion plans. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors.

**33) *Change in interest rates and banking policies.***

The Company is dependent on bank(s) and financial institution(s) for arranging the Company's Working Capital Requirements, Term Loans, etc. Accordingly, any change in the extant banking policies or increase in interest rates may have an adverse impact on the Company's profitability.



**34) Availability of adequate labor, work stoppages and other labor problems could adversely affect our business.**

We require skilled and unskilled labor for successful running of our existing, as well as, future operations. Any shortage of adequate labor and stoppage due to any labor related issues may affect smooth running of our operations.

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

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

**36) We rely significantly on our Timbor Business Associates (TBA) Agreements with various Parties all over India, for our business operations.**

We rely significantly on our Timbor Business Associates (TBA) Agreements. These Agreements provides us with the exclusive right to develop and operate to sell our Products through their stores. TBA Agreements may be terminated a result of a breach under the Agreement by us or by the opposite party, or on mutual consent basis. Therefore, Our Company would be unable to continue Business and sell its products to that extent. Moreover if the TBA Agreements are not renewed or if any of the Parties terminates the Agreement for any reason will substantially affect the profit earning capacity of the Company. *For details of these Agreements & Parties, see "Business Overview" on page 90.*

**37) Registered office of the company is not owned by the company and is taken on lease.**

The Registered Office of our Company situated at A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad– 380 013, Gujarat is not owned by the Company and the Company has entered into Lease Agreement on 15 February 2008 with Ajay Maloo and Sureshchandra Maloo for a period of 9 years for a consideration of ₹ 1 per month as Lease Rent for commercial use.

**38) Two of the Trade Marks of Our Company are registered and in case we do not receive the new registrations or renewal of the existing registrations, we may not be able to protect our intellectual property rights. It may affect our business goodwill on account of possible misuse by any third party.**

Applications have been filed for registration of trademarks/patents assigned in favour of our Company. Further, we have filed applications for registration of trademarks/ copyrights of our Brands which are pending with the Registrar of Trademarks. Pursuant to such applications third parties can file opposition proceedings against these applications.

In the event such opposition proceedings are successful, the Registrar of Trademarks will not grant a certificate of registration. Non-receipt of the new registration of trademark(s) applied for may adversely affect our Company's ability to protect trademark against infringement. If our Company is unable to maintain the security of its intellectual properties, it could adversely affect our business and results of operations. Further, the Registration of Trade Mark is normally valid for 10 years from the date of the application and may be subsequently renewed. Non-renewal of Trademarks applied for by us may affect our business goodwill on account of possible misuse by any third party.

For further details, please refer to the section, Intellectual Property Right under chapter "Business Overview" starting on page no. 90 of this Red Herring Prospectus.



**39) *Our Company is dependent on third party transportation providers for the supply of raw materials, finished goods and delivery of products.***

Our Company uses services of third party transportation providers for supply of raw materials and finished goods. In the event of non availability of our own fleet of trucks, third party transportation services are available which may not be available due to strike or any other reason, hence, may have an adverse impact on the receipt of supplies of raw material, finished goods and delivery of the finished products thereby adversely affecting our operations

**40) *Our Company is promoted by first generation entrepreneurs.***

The promoters of our Company are first generation entrepreneurs and in spite of having a professional management team, our business may suffer due to various challenges and competition. Being a first generation entrepreneurs our promoters do not have prior experience of running and managing manufacturing units.

**41) *Change in technology.***

Technology plays a vital role in our plants. Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of cost, efficiency and timely delivery of the products.

**42) *Breakdown of operations at any of our existing or proposed manufacturing facilities may have a material adverse effect on the business, financial condition and result of operations.***

Our manufacturing facilities are subject to operating risks such as breakdown or failure of key equipment. The frequent occurrence of such breakdown or failure may affect our operation of plants.

**43) *Delay in launch of newer products in response to changing customer preferences and trends in the market will significantly affect our Company.***

Any change in customers' preferences and delay in responding to the same may affect our sales and profitability.





## EXTERNAL RISK FACTORS BEYOND THE CONTROL OF THE COMPANY

**1) *Political situation and changes in the Government of India may affect the performance of the Company.***

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

**2) *Exchange rate fluctuations may have impact on the performance of the Company***

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

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

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

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

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

**5) *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

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

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

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

There has been no public market for our Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or sustain after this Issue, or that the prices at which the Equity Shares are initially issued will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

**PROMINENT NOTES:**

1. Investors may contact the BRLM or the Compliance officer for any complaint /clarification/information pertaining to the issue. *For contact details of the BRLM and the Compliance Officer, please refer to Chapter titled "General Information" beginning on page 37 of the Red Herring Prospectus.*
2. Pre – Issue Networth of our Company as on March 31, 2010 is ₹1880.04 Lacs. and as on 31<sup>st</sup> December ,2010 is Rs 2178.33 Lacs.
3. Size of the Present Issue – Public Issue of 36,90,000 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) for cash aggregating upto ₹ [●] lacs (the "issue"), by Timbor Home Limited (the "Company" or the "Issuer"). The Issue will constitute 25.00% of the fully diluted post Issue Paid Up Capital of the Company
4. The average cost of acquisition of Equity Shares of our Promoters is given below:

*(Amount in ₹)*

Sr. No	Name of the Promoter	Average cost of acquisition of Shares
1	Mr. Anant Sureshchandra Maloo	4
2	Mr. Manan Vidyapati Patel	4
3	Mr. Abhijeet Dwarkadas Daga	4
4	Maloo Building Material Private Limited	4

*For further details relating to the allotment of Equity Shares to our Promoters, Promoter Group and other entities, please refer to the Chapter titled "Capital Structure" beginning on page 48 of the Red Herring Prospectus.*

5. Book Value of Equity Shares of our Company as on March 31, 2010 is ₹ 21.91/- per Equity Share and as on 31<sup>st</sup> December, 2010 is Rs 19.68/- per share.
6. The details of the business interest of our Group Companies are appearing under *Related Party Transactions, "Annexure 10" beginning on page 157 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus.*
7. Our Company was converted into a public limited company vide fresh certificate of incorporation dated June 13, 2009 and subsequently the name of our Company was changed to Timbor Home Limited.



8. No part of the Issue proceeds will be paid as consideration to Promoter, Promoter Company, Directors, Key Managerial personnel, Associate Companies or Group Companies.
9. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE, the Designated Stock Exchange.
10. Our Company and the BRLM shall update the Red Herring Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including road shows, presentations, at bidding centres etc.
11. Trading in the Equity Shares for all investors shall be dematerialized form only.
12. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing Red Herring Prospectus with the Board.
13. This issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and no less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*You should read the following summary together with the risk factors and the more detailed information about us and our financial data included in the Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter titled "Presentation of Financial Industry & Market Data", "Forward Looking Statements", beginning on page 10 & 11 respectively of the Red Herring Prospectus.*

### OVERVIEW OF THE FURNITURE MARKET

#### Summary about the Industry:

The entry of international brands and changing consumer preference has led to the emergence of furniture retailing in India. CSIL Milano has classified India as one of the 14 large furniture markets in the world. This is in view of the fact that India has a middle class population of over 400 million, with a purchasing power on the upswing.

- The Indian Furniture market is worth about US\$ 8 billion
- Constitutes 0.5% of the total GDP
- Employs 3,00,000 people
- Highly unorganized- only about 15% in organized sector
- Organized sector growing at 30% CAGR
- Wooden home furniture is the biggest segment
- Key states for wood furniture: Gujarat, Rajasthan, UP, Punjab, Kerala, AP, West Bengal

#### Demand factors in the Furniture sector:

##### Real estate / housing boom:

- Housing and real estate construction on a rise gradually after the economic slowdown in late 2008
- Expansion of residential and commercial infrastructure across metros and smaller cities

##### Tourism / hospitality industry growth:

- Increasing tourist inflow
- Demand for hospitality space and infrastructure

##### Consumer demographics:

- Increasing income levels
- Increased consumption of lifestyle products, including furniture

The sector is transitioning from a fragmented industry to a more organized.

#### Major Players:

Big giants involved in furniture retailing are Pantlooon, Shopper Stop, Trent, RPG, Vishal Retail, Reliance, TATA and Godrej. Others included are Nilkamal, BP Ergo, Featherlite, Haworth, Style Spa, Yantra, Renaissance, Millenium Lifestyle, Durian, Kian, Tangent, Furniture Concepts, Furniturewalla, Zuari, Truzo, V3 Engineers ans PSL Modular among others.

**(Source: The furniture market in India Profile 2009, Italian Trade Commission)**



## MODULAR KITCHEN INDUSTRY

### OVERVIEW

Modular Kitchen in India has created a revolution for all the homemakers. Kitchen is that special place in every home meant to explore culinary passions and especially in India, everything related to Food is revered. In India, where food is assigned divine properties, Kitchen is more than a place to cook, Kitchens in India are considered Altars. As Home Decor and Home Interiors are gaining importance, we find new concepts in Kitchen Decor making waves. One such modern concept of Modular Kitchen is gaining immense popularity in India.

Modular Kitchens are based on functional practicality and the onset of Modular Kitchen in the furniture market of India have spelt a consciousness that even kitchens can have a style statement and at the same time be comfortable and elegant.

**(Source: [www.indiahousing.com/modular-kitchen-india.html](http://www.indiahousing.com/modular-kitchen-india.html))**

### Modular Kitchen Designs

Modular kitchen have been appreciated owing to its compact design that optimizes the available space. Therefore, in case of paucity of space, which is very common in India, Modular Kitchens have come as a real boom. In India, Modular Kitchens are available in a ready-to-install pre-fabricated format to fit easily in the existing structures. The best part is that Modular Kitchens are available in any various colors and patterns. Once you are sure of the color and the size, all one has to do is place an order and the Modular Kitchen is ready to be installed. Considering the Indian mindset, Modular Kitchens have a good role to perform. In case of oil or turmeric stains, the material by which Modular Kitchens are made can be cleaned easily. Secondly, the material is durable so there is absolutely no worry of it being damaged. Though the concept of Modular Kitchen is not Indian, we find Modular Kitchens, Modular Kitchen Cabinets in Indian market that suit Indian household conditions.

**(Source: [www.indiahousing.com/modular-kitchen-india.html](http://www.indiahousing.com/modular-kitchen-india.html))**

### Modular kitchen USP:

- You can freeze your kitchen estimate before ordering.
  - You do away with hassles of hiring a carpenter and running around for material.
  - Can also be made as per your requirements. View your kitchen before ordering.
  - Can be constructed in as little as 7-15 days.
  - Keeps your kitchen organized and clean.
  - Can be expanded or reduced in size at later stages.
  - Can be fully relocated.
  - Have low maintenance and high durability.
  - Looks good.
  - Optimizes space.
  - Are made of durable material.
  - Takes care of things like exhaust, chimneys etc, which otherwise is ignored.
  - Replacement and repairs are easy.
  - Kitchen equipments gets proper place to function.
  - You get motivated to work in such kitchens.
- 
- Modular kitchen market in India is still at a nascent stage but has tremendous growth potential
    - a) Market has been witnessing a growth rate of 50% YoY\*
  - It is largely unorganized with the presence of local and small players
    - a) Unorganized market includes carpenters making self designed kitchens based upon the requirements of the households



- Modular kitchens are customized based on the requirements of the consumer and Based on the need of the consumer, it can be set up with various accessories like chimney, burner etc.
  - Modular kitchen accounts for 40% of the furniture and fittings industry \*
  - Products in this market are largely focused towards establishments in urban India
- \* Modular Kitche market –India, July.2010



## SUMMARY ABOUT OUR COMPANY'S BUSINESS

Our Company was incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Provisions of the Companies Act, 1956. The Name of our Company was subsequently changed to IKI Timbor Private Limited on February 8, 2005. The name of our company was further changed to Timbor Home Private Limited with effect from May 22, 2007 and subsequently converted into Public Limited Company on June 13, 2009 vide a Fresh Certificate of Incorporation on becoming a Public Limited Company.

The Company has three manufacturing units one located at Changodar, In Ahmedabad District, the second unit at Vatva GIDC, Ahmedabad, and the third at Umreth, in Anand district. The total manufacturing facility of the company amounts to 2,00,000 Sq feet. The kitchen & furniture manufacturing is based at the Changodar unit, the Stainless Steel Kitchen baskets and accessories is manufactured at the Vatva Unit while manufacturing of doors, wood treatments and storage is based at Umreth. The company now manufactures kitchen- kitchen components, furniture, door- door frames and Kitchen baskets and accessories. The Company operates as a manufacturer-retailer having a Pan-India presence with more than 80 exclusive stores of kitchen, door and furniture retail outlets operating on Franchise Model.

Our company markets its products under the brand names Timbor Cucine- Modular Kitchens, Timbor Doors- Doors & Door Frames, Timbor Home- Home Furniture, and IKI Kitchens- Hi-end kitchen solutions using 'Hettich' Hardware and accessories.

Our Products includes the following:

1. Home furniture
2. Modular Kitchens
3. Doors
4. Treated and Kiln Dried Lumber

### **1. Home Furniture:**

Entire Home Furniture Requirements made available to the consumer under the same roof in Solid Teak Wood. Wide range of furniture including sofa's, centre tables, side tables, TV units, chairs, beds, wardrobes, bedside units, dressers, bar units, dining tables, dining chairs, kids bedroom units etc are included under the Home Furniture section. All the ranges have wide options made available to customer in terms of designs, colors, fabric, dimensions, capacity etc. Our Company can do all this for the customer due to our in-house manufacturing facilities. Our Home Furniture Range is marketed under the brand "Timbor Home". Our Company also does customization in terms of size and individual requirements and preferences in wardrobes, which isn't made available by other players. Our manufacturing capacity helps us in customization at no extra cost for the customer. All our products are designed and made in-house.

### **2. Modular Kitchens**

#### **Brand: Timbor Cucine**

Our Company is one of the major retailer and manufacturer of Modular Kitchens in India. Our modular kitchens are durable, affordable yet trendy. Our Modular kitchens under the brand name TIMBOR CUCINE range starts from as low a ₹ 25000, as a result even common people can now afford Modular kitchens. We have designed our own software which helps the customer to have a look on his/her kitchen before he orders for the same. The software is shared with all the exclusive stores and the company trains all for the use of the software. It is completely customized product for the customer, the cost, the material, hardware, cabinetry all can be chose by the customer. Kitchen design in fact is done by the customer himself. They can pick and choose from the various options available for them in the material, hardware, cabinetry as per their requirements.

#### **Brand: IKI Kitchens**

Our Company has introduced a new concept and trend giving kitchen a great look through Hi-end modular kitchens with customized solutions, world class cabinetry, shutters, storage and hardware along with Red Dot award winning fittings which are made available to Indian consumers solely using Hettich



hardware and accessories. Hitech Kitchens bring in international concepts to Indian households. They are state-of-art products which are targeted to hi-end markets.

### **3. Doors**

Our Company have set-up a production facility at Umreth for manufacturing doors and all this is offered with customization in terms of size and thickness for the customers. The Doors also come under wide range of designs and types we also manufacture ecofriendly doors with Sinewave/Honeycomb Core. Even Door Frames customized for the Customers are available in Solid Wood. They are pre-finished with primer and polish coats.

### **4. Treated and Kiln Dried Lumber:**

The company has a large timber drying and chemical treatment facility. The company converts logs of soft and hardwood into kiln dried sawn timber to be used in the construction and joinery industry. The products of the company are sold to traders and actual users.

**Location:** The company has three manufacturing plants located at 7, Subh Laxmi Industrial Estate, Village Moriya, Tal Sanand, Dist Ahmedabad, 401-402, GIDC Umreth, Dist Anand and at Plot no 21, Mahalaxmi Estate, Inside Shivshakti Estate, Phase I GIDC Vatva, Ahmedabad. The new machineries shall be installed at 7, Subh Laxmi Industrial Estate.

**Installed capacity:** Since the furniture components are customized products with a vast basket of product mix, hence the installed capacity cannot be quantified. The company operates the manufacturing plants with two shifts of eight hours each. The company makes value added products from the timber it processes. The new capacity is being built to manufacture complete home furniture, expand production through the addition of new advanced and automated machines

**Raw material:** The basic raw materials required are sawn timber, plywood, laminate, hardware, veneers, lacquers and adhesive. The main raw material timber is procured from licenced sawmill in Gujarat and from Importer of in Gandhidham. Laminates and veneers are procured from factories near Ahmedabad, and lacquers, adhesive and hardware are procured from European companies through their offices and agents in Bombay.

#### ***Door USP:***

- Choose from eco-friendly, solid wood and fire resistant.
- Both side raised panel designs for looks and beauty.
- Choice of solid, glass, grill and louvered panels.
- Pre-finished with primer or polish coat.
- Custom sizes and thickness.
- Quick delivery.
- Matching door frames also available.
- 5 years no warping – no powder warranty.

#### **Competitive Strengths:**

The company believes that the following are the principal competitive strengths which differentiate the company from other modular kitchen and door manufacturing companies.

#### **The company has experienced promoters:**

The promoters of the company have past experience and are well versed in the building material and timber industry since the last 15 years

#### **The company has wide network of EXCLUSIVE BRAND OUTLETS:**

The company is a manufacturer retailer in the modular kitchen industry and currently has more than 80 exclusive 'Timbor Cucine' stores in more than 17 states selling only the companies products. For the doors and furniture the company is planning to open exclusive stores across India. Furthermore as the





company manufactures and supplies fully finished products it is in direct touch with the end buyer and consumer.

*The company is an integrated low-cost producer:*

The company manufactures almost 75% of the components that go into making a modular kitchen, the major strengths includes raw material sourcing to finishing. The company employs extensive logistics and supply chain management systems to maintain maximum flexibility, which enables the company to meet their needs in an efficient manner without relying on any one vendor, factory or country.

*The company follows an Established raw material policy:*

The company procures its raw material directly from licensed saw mills, reputed manufacturers, importers and suppliers which helps the company to establish an efficient supply chain at competitive prices and ensures timely delivery. The management of the company places significant emphasis on the sourcing and logistics of raw material. The company is able to source key raw materials close to the factories resulting in reduction of transportation costs. The company has also implemented ERP which helps in raw material planning.

*The company's business model is scaleable and unique:*

The company has a very unique business model for creating a nation wide franchisee network. The investment and the space requirement burden are *small* and *one time* and are passed on to the business partner. This model will help the company to even look at rural markets.

*Unique brand positioning:*

The company believes in providing the customers value for their money and have positioned the kitchens at an affordable price with a focus on the middle income segment. The company believes that there is an untapped market in the middle income segment which is both brand conscious and aspirational in nature. The company feels it is targeting one of the fastest growing segments, having an increasing level of disposable income.

*Experience and Technical Know-how:*

The Company has acquired machinery from European and Indian Suppliers and they have also provided technique and joinery details. The Felder Group originally Austria based having address at: MASCHIGKREUZERFELD 18 A 06060 HALL TIROL, AUSTRIA has supplied Machinery worth ₹ 112.71 Lacs for the purpose of sizing, cutting, drilling and formatting the wood by computerized software with European Technology.

### BRIEF DETAILS OF THE ISSUE

<b>Fresh Issue by Our Company</b>	Public issue of 36,90,000 Equity Shares of Rs.10/- each at a price of ₹ [●] per Equity Share (including a Premium of ₹ [●] per equity share) for cash aggregating upto ₹ [●] Lacs (the "Issue"). The issue will constitute 25.00% of the Fully Diluted Post Issue Paid Up Capital of the Company
<b>Issue Price</b>	₹ [●] Per equity share
Of which:	18,45,000 Equity Shares of face value of ₹ 10 each constituting not more than 50%
1. Qualified Institutional Buyers Portion	Of the above 92,250 Equity Shares shall be available for allocation to Mutual Funds
2. Non – Institutional Portion	5,53,500 Equity Shares of face value of Rs 10 each constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
3. Retail Portion	12,91,500 Equity Shares of face value of Rs 10 each constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)
Equity Shares outstanding prior to this Issue	1,10,66,580 Equity Shares
Equity Shares outstanding post this Issue	1,47,56,580 Equity Shares
Use of Proceeds	<i>Please refer to the Section titled "Objects of the Issue" beginning on page 60 of the Red Herring Prospectus for additional information.</i>

**Note:**

*Under-subscription, if any, in all categories would be allowed to be met with spillover from the other categories, at the sole discretion of our Company and the BRLM.*



## SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report of our statutory auditor's M/s. Arvind A. Thakkar & Co., Chartered Accountants dated September 3<sup>rd</sup>, 2010 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of Financial Years 2006, 2007, 2008, 2009 and 2010 including the notes thereto and the reports thereon, which appears under the Section titled "Auditors Report and Financial Information of Our Company" and Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 145 and 167 of the Red Herring Prospectus.

### SUMMARY STATEMENT OF RESTATED ASSETS AND LIABILITIES

(₹ In Lacs)

Particulars	For the Year / Period ended on					
	31/12/10	31/03/10	31/03/09	31/03/08	31/03/07	31/03/06
<b>FIXED ASSETS</b>						
Gross Block	1377.4	1078.48	704.70	360.77	156.50	129.03
Less: Depreciation	140.14	89.81	49.31	21.35	11.02	4.68
Net Block(A)	1237.26	988.67	655.39	339.42	145.48	124.35
Capital Work in Progress	0.00	0.00	0.00	19.06	4.63	3.46
<b>Net Block Total (A)</b>	<b>1237.26</b>	<b>988.67</b>	<b>655.39</b>	<b>358.48</b>	<b>150.11</b>	<b>127.81</b>
<b>INVESTMENTS (B)</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.15</b>	<b>0.15</b>
<b>CURRENT ASSETS LOANS AND ADVANCES</b>						
Inventories	1535.02	1133.97	1119.47	630.54	295.50	170.52
Sundry Debtors	3719.58	1869.98	643.68	567.69	245.33	213.73
Cash and Bank Balances	30.76	30.22	30.76	53.34	7.44	18.10
Loans and Advances	981.85	916.80	673.56	552.75	54.09	0.66
<b>Total (C)</b>	<b>6267.21</b>	<b>3950.97</b>	<b>2467.47</b>	<b>1804.32</b>	<b>602.36</b>	<b>403.01</b>
<b>LIABILITIES AND PROVISIONS</b>						
Secured Loans	2759.86	1913.76	1087.52	646.38	251.58	93.36
Unsecured Loans	308.22	301.40	652.29	632.14	171.91	118.92
Current Liabilities and Provision	2160.09	746.47	495.41	567.92	252.82	282.52
Deferred Tax Liability	98.45	98.45	46.80	19.27	11.31	6.59
<b>Total (D)</b>	<b>5326.62</b>	<b>3060.08</b>	<b>2282.02</b>	<b>1865.71</b>	<b>687.62</b>	<b>501.39</b>
<b>NET WORTH (A+B+C-D)</b>	<b>2178.33</b>	<b>1880.04</b>	<b>841.32</b>	<b>297.57</b>	<b>65.00</b>	<b>29.58</b>
<b>REPRESENTED BY:</b>						
Share Capital	1106.65	857.98	211.67	200.00	40.00	20.00
Share Application Money	0.00	268.00	0.00	0.00	0.00	0.00
Share Premium	381.59	362.27	408.58	0.00	0.00	0.00
Reserve & Surplus	705.37	398.99	221.07	98.21	26.28	11.50
<b>Total</b>	<b>2193.61</b>	<b>1887.25</b>	<b>841.32</b>	<b>298.21</b>	<b>66.28</b>	<b>31.50</b>



Less: Miscellaneous Expenditure Not Written Off	15.28	7.20	0.00	0.64	1.28	1.92
<b>Net Worth</b>	<b>2178.33</b>	<b>1880.04</b>	<b>841.32</b>	<b>297.57</b>	<b>65.00</b>	<b>29.58</b>

Note: During the year 2008-09, received Share Application Money from Writers & Publishers Ltd. ₹ 20/- and Mr. Chandrakant P. Dodia ₹ 20/- (Total ₹ 40)

During the year 2009-10, received Share Application Money from Brand Equity Treaties Ltd. ₹ 2734720/-

During the year 2010-11, Company has issued Equity Sharers to Writers & Publishers, Mr. Chandrakant P. Dodia and Brand Equity Treaties Ltd - ₹ 2734760/- against Share Application Money

**Reasons for increase in Secured Loans by ₹ 765.32 lacs for the period ended on 31<sup>st</sup> December, 2010 compared to financial year 2010**

The addition of outstanding working capital limit from ₹ 1218.20 lacs to ₹ 2015.27 lacs, an increase of ₹ 797.07, is the main reason for increase in Secured loan. The company had achieved turnover of ₹ 5482.97 lacs for the nine months period against the turnover of ₹ 5104.13 lacs for the financial year 2010. On an annulised basis the company has achieved growth of 43.22 % and in order to achieve the growth the company has borrowed working capital form the bank.

**Reasons for increase in current liabilities and provisons by Rs 1413.61 lacs for the period ended on 31<sup>st</sup> December,2010 compared to financial year 2010**

On an annulised basis the company has achieved growth of 43.22 % and in order to achieve the growth the company has planned for smooth operation of production and in order to achieve uninterrupted production the company has increased the stock of raw material. On annulised basis the growth of purchase is 60.97% resulting into purchasing goods on credit and thereby increase in current liabilities and provisions for the period ended on 31<sup>st</sup> December, 2010 compared to financial year 2010.”

**SUMMARY STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT**

(₹ In Lacs)

Particulars	For the Year / Period ended on					
	31/12/2010	31/03/2010	31/03/2009	31/03/2008	31/03/2007	31/03/2006
<b>INCOME</b>						
<b>SALES:</b>						
Net Sales	5482.97	5104.13	2667.89	1957.65	1014.51	682.36
<b>Total</b>	<b>5482.97</b>	<b>5104.13</b>	<b>2667.89</b>	<b>1957.65</b>	<b>1014.51</b>	<b>682.36</b>
Other Income	1.54	0.98	14.96	14.13	2.88	4.80
Increase /(Decrease) in stock	23.34	3.99	119.55	42.68	15.55	10.32
<b>Total</b>	<b>24.88</b>	<b>4.97</b>	<b>134.51</b>	<b>56.81</b>	<b>18.43</b>	<b>15.12</b>
<b>Total Income</b>	<b>5507.85</b>	<b>5109.10</b>	<b>2802.40</b>	<b>2014.46</b>	<b>1032.94</b>	<b>697.48</b>
<b>EXPENDITURE:</b>						
Raw Material Consumed/Purchases	4440.18	3979.98	1971.73	1522.65	797.88	566.91
Other Manufacturing Exp.	152.79	97.88	55.08	64.76	63.86	42.30
Selling, General & Admin Expenses	325.98	486.09	440.08	240.73	109.13	55.33
Interest and Financial Charges	230.84	189.29	118.30	54.44	30.59	11.44



Preliminary Exp. Written Off	1.35	0.80	0.64	0.64	0.64	0.64
Depreciation	50.33	40.49	27.97	10.33	6.34	3.66
<b>Total Expenses</b>	<b>5201.47</b>	<b>4794.53</b>	<b>2613.80</b>	<b>1893.56</b>	<b>1008.44</b>	<b>680.28</b>
Profit (Loss) before Taxes	<b>306.38</b>	<b>314.57</b>	<b>188.60</b>	<b>120.90</b>	<b>24.50</b>	<b>17.20</b>
<b>Provision for Taxation:</b>						
Income Tax	0.00	85.00	36.40	39.18	4.00	1.58
Fringe Benefit Tax	0.00	0.00	1.81	1.83	0.99	0.75
<b>Total</b>	<b>306.38</b>	<b>229.57</b>	<b>150.39</b>	<b>79.89</b>	<b>19.51</b>	<b>14.87</b>
Less: Deferred Tax	0.00	51.65	27.53	7.96	4.73	4.34
<b>Profit (Loss) after Taxes</b>	<b>306.38</b>	<b>177.92</b>	<b>122.86</b>	<b>71.93</b>	<b>14.78</b>	<b>10.53</b>
<b>Total</b>	<b>306.38</b>	<b>177.92</b>	<b>122.86</b>	<b>71.93</b>	<b>14.78</b>	<b>10.53</b>
Balance Brought Forward from Last Year	398.99	221.07	98.21	26.28	11.50	0.97
Net Profit/ (Loss) carried over to Balance Sheet	<b>705.37</b>	<b>398.99</b>	<b>221.07</b>	<b>98.21</b>	<b>26.28</b>	<b>11.50</b>

**SUMMARY OF CASH FLOW STATEMENT, AS RESTATED**

(₹ In Lacs)

<b>CASH FLOW STATEMENT</b>		<b>For the Period Ended</b>					
	<b>PARTICULARS</b>	<b>31/12/10</b>	<b>31/03/10</b>	<b>31/03/09</b>	<b>31/03/08</b>	<b>31/03/07</b>	<b>31/03/06</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
	Net Profit / (loss) before Tax and Extra ordinary items	306.38	314.57	188.60	120.90	24.50	17.20
	Adjustment for						
	Add :Depreciation	50.33	40.49	27.97	10.33	6.34	3.66
	Interest	230.84	189.29	118.30	54.44	30.59	11.44
	Miscellaneous Expenditure w/o	1.35	0.80	0.64	0.64	0.64	0.64
	Loss on Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
	Less :Interest/Dividend/Rent received	0.92	0.48	5.17	2.33	0.13	0.02
	Profit on sale of Investments	0.00	0.00	0.00	0.00	0.00	0.00
	Profit on sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
	Operating profit before Working Capital Changes	587.98	<b>544.67</b>	<b>330.34</b>	<b>183.98</b>	<b>61.94</b>	<b>32.92</b>
	Adjustment for :						
	(Increase)/Decrease in Inventories	(401.04)	(14.51)	(488.93)	(335.04)	(124.98)	(123.90)
	(Increase)/Decrease in Trade Receivables	(1849.60)	(1226.30)	(75.99)	(322.36)	(31.60)	(191.22)
	(Increase)/Decrease in Loans	(65.06)	(243.23)	(120.81)	(498.66)	(53.43)	(0.34)

	& Advances						
	Increase/(Decrease) in Trade Payables	1413.62	251.06	(72.51)	315.10	(29.70)	252.70
	Cash generated from Operations	(314.10)	(688.31)	(427.90)	(656.98)	(177.77)	(29.84)
	Less : Fringe Benefit Tax	0.00	0.00	1.81	1.83	0.99	0.75
	Direct Taxes Paid	0.00	85.00	36.40	39.18	4.00	1.58
	<b>Net Cash from Operating Activities (A)</b>	<b>(314.10)</b>	<b>(773.31)</b>	<b>(466.11)</b>	<b>(697.99)</b>	<b>(182.76)</b>	<b>(32.17)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Purchase of Fixed Assets	(298.92)	(373.78)	(343.93)	(204.27)	(27.47)	(66.34)
	(Increase)/Decrease in Capital Work in Progress	0.00	0.00	19.06	(14.43)	(1.17)	(2.41)
	Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Interest/Dividend/Rent received	0.92	0.48	5.17	2.33	0.13	0.02
	(Increase/Decrease) in Public Issue & Preliminary Expenditure	0.00	(8.00)	0.00	0.00	0.00	0.00
	Sale of Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Expenditure	(9.43)	0.00	0.00	0.00	0.00	0.00
	Purchase of investment	0.00	0.00	0.00	(0.33)	0.00	0.00
	<b>Net Cash used in Investing Activities (B)</b>	<b>(307.43)</b>	<b>(381.30)</b>	<b>(319.70)</b>	<b>(216.70)</b>	<b>(28.51)</b>	<b>(68.73)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
	Increase in Secured Borrowings	846.10	826.24	441.14	394.80	158.22	112.25
	Increase in Unsecured Borrowings	6.82	(350.89)	20.15	460.23	52.99	-
	Equity Share	248.67	646.31	11.67	160.00	20.00	4.00
	Share Premium	19.32	(46.31)	408.58	0.00	0.00	-
	Share Application Money	(268.00)	268.00	0.00	0.00	0.00	0.00
	Interest Paid	(230.84)	(189.29)	(118.30)	(54.44)	(30.59)	(11.44)
	<b>Net Cash received from Financing Activities (C)</b>	<b>622.07</b>	<b>1154.06</b>	<b>763.24</b>	<b>960.59</b>	<b>200.62</b>	<b>104.81</b>
	<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>0.54</b>	<b>(0.55)</b>	<b>(22.57)</b>	<b>45.90</b>	<b>(10.65)</b>	<b>3.90</b>
	Cash & Cash Equivalents-Opening Balance	30.22	30.77	53.34	7.44	18.09	14.19
	Cash & Cash Equivalents-Closing Balance	<b>30.76</b>	<b>30.22</b>	<b>30.77</b>	<b>53.34</b>	<b>7.44</b>	<b>18.09</b>

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS- 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.



## GENERAL INFORMATION

Our Company was originally incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 04-37984 issued by the Registrar of Companies, Dadra & Nagar Haveli, Gujarat. The name of Our Company was changed to IKI Timbor Private Limited vide Fresh Certificate of Incorporation dated February 8, 2005. The name of our company was further changed to Timbor Home Private Limited with fresh Certificate of Incorporation with effect from May 22, 2007 and subsequently our Company was converted into Public Limited Company vide a Fresh Certificate of Incorporation on June 13, 2009 and consequently the name of our Company was changed to "Timbor Home Limited". Corporate Identification Number of our Company is U72200GJ2000PLC037984.

### Registered Office of Our Company

#### Timbor Home Limited

A-2, Harikrupa Apartment,  
Near Naranpura Railway Crossing,  
Naranpura, Ahmedabad - 380 013,  
Gujarat- India.

**Tel. No.** + 91 - 079 – 2756 0537

**Fax No.** + 91 - 079 – 2755 2596

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

**Email:** [ipo@timborhome.com](mailto:ipo@timborhome.com)

For details of change in name and registered office, please refer to the Chapter titled "History and Certain Corporate Matters" beginning on page 116 of this Red Herring Prospectus.

### Address of ROC

#### Registrar of Companies

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

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

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

**Email:** [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

### Our Board of Directors:

The Board of Directors consists of the following:

Sr. No	Board of Directors	Designation	Status	DIN
1	Mr. Anant Sureshchandra Maloo	Chairman & Managing Director	Non Independent and Executive Director	00058858
2	Mr. Manan Vidhyapati Patel	Director	Non Independent and Executive Director	00398466
3	Mr. Abhijeet Dwarkadas Daga	Director	Non Independent and Executive Director	00395592
4	Mr. Rakesh Surajkumar Bhagat	Director	Independent Non-Executive Director	01188701
5.	Mr. Tejdeepsingh Harvindersingh Anand	Director	Independent Non-Executive Director	03121912
6.	Mr. Rakesh Mohinder Kumar Puri	Director	Independent Non-Executive Director	02443261



For detailed profile of our Directors, *please refer to the Chapter titled “Our Management” and “Our Promoters and their Background” beginning on pages 126 and 139 respectively of the Red Herring Prospectus.*

#### **Company Secretary and Compliance Officer**

Ms. Akanksha Bijawat  
A-2, Harikrupa Apartment,  
Near Naranpura Railway Crossing,  
Naranpura, Ahmedabad - 380 013  
Gujarat –India  
**Tel. No.** + 91 - 079 – 2456 0537  
**Fax No.** + 91 - 079 – 2755 2596  
**Website:** [www.timborhome.com](http://www.timborhome.com)  
**Email:** [ipo@timborhome.com](mailto:ipo@timborhome.com)

**Investors are advised to contact the Compliance Officer Ms. Akanksha Bijawat and / or the Registrar to the Issue in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non receipt of funds by electronic mode etc.**

#### **BANKERS TO OUR COMPANY**

**Union Bank of India**  
Dr. S.R. Marg Branch,  
Ganesh Chambers, Near Darpan Panch Rasta,  
Opp: Hatkesh Society  
Ahmedabad – 380014  
Gujarat- India  
Tel: + 91-79- 2768 1226/ 1085  
**Website:** [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in)  
**Contact Person: Mr. Prakash Gupta**

**HDFC Bank Limited**  
S.G.Highway Road Branch,  
Sapath- III, Near GNFC Tower,  
Sarkhej- Gandhinagar Highway,  
Bodakdev, Ahmedabad –380054  
Gujarat- India  
Tel: + 91-79 66623333  
Fax: + 91-79 26851390  
**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)  
**Contact Person: Mr. Devang Tonk**

#### **STATUTORY AUDITORS TO OUR COMPANY**

**M/s. Arvind A. Thakkar & Company**  
**Chartered Accountants**  
Ground Floor , Trupti Appartments,  
Behind Old High Court, Narangpura  
Ahmedabad – 380 009  
Tel: + 91-79-27543650/ 27543655  
**Email:** [aat47@rediffmail.com](mailto:aat47@rediffmail.com)  
**Contact Person: Mr. Arvind A. Thakkar**





## ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER	REGISTRARS TO THE ISSUE
<p><b>Corporate Strategic Allianz Limited</b> <b>SEBI REGN NO:</b> INM 000011260 402, Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006, Gujarat – India <b>Tel:</b> + 91- 79- 2642 4138 / 4002 4670 <b>Fax:</b> + 91- 79- 4002 4670 <b>Email:</b> <a href="mailto:ipo@csapl.com">ipo@csapl.com</a> <b>Website:</b> <a href="http://www.csapl.com">www.csapl.com</a> <b>Contact Person:</b> Mr. Chetan Sharma</p>	<p><b>Purva Sharegistry India Private Limited</b> <b>SEBI REGN NO:</b> INR 000001112 9, Shiv Shakti Industrial Estate, JR Borica Marg, Lower Parel (East) Mumbai – 400 011, Maharashtra – India. <b>Tel No:</b> +91-22-2301 0671 <b>Fax No:</b> +91-22-2301 2517 <b>Email Id:</b> <a href="mailto:busicomp@vsn.com">busicomp@vsn.com</a> <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>Contact Person:</b> Mr. Rajesh Shah</p>
LEGAL ADVISOR TO THE ISSUE	SYNDICATE MEMBER
<p><b>Nigam R. Shukla</b> <b>Advocate</b> 27, Subhash Park, Nehrunagar Cross Roads, Satellite Road, Ambawadi, Ahmedabad – 380015 <b>Tel:</b> 079 – 26754178 <b>Fax:</b> 079 – 26754178 <b>Email ID:</b> <a href="mailto:nigamshukla@yahoo.com">nigamshukla@yahoo.com</a> <b>Contact Person:</b> Mr. Nigam Shukla</p>	<p><b>Corporate Strategic Allianz Limited</b> <b>SEBI REGN NO:</b> INM 000011260 402, Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006, Gujarat – India <b>Tel:</b> + 91- 79- 2642 4138 / 4002 4670 <b>Fax:</b> + 91- 79- 4002 4670 <b>Investor Grievance Email:</b> <a href="mailto:investors@csapl.com">investors@csapl.com</a> <b>Website:</b> <a href="http://www.csapl.com">www.csapl.com</a></p>
BANKER TO THE ISSUE AND ESCROW COLLECTION BANKS	REFUND BANKER TO THE ISSUE
<p><b>HDFC Bank Limited</b> <b>SEBI REGN NO:</b> INBI00000063 FIG – OPS Department, - Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042 <b>Tel:</b> + 91- 22- 3075 2928 <b>Fax:</b> + 91- 22- 2579 9801 <b>Email:</b> <a href="mailto:deepak.rane@hdfcbank.com">deepak.rane@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact Person:</b> Mr. Deepak Rane</p> <p><b>Axis Bank Limited</b> <b>SEBI REGN NO:</b> INBI00000017 Nehrunagar Branch Abhishree Avenue GF Ner Nehrunagar Cross Road Ambawadi, Ahmedabad – 380015 <b>Tel:</b> + 91- 79- 6617 4182 <b>Fax:</b> + 91- 79- 6614 7127 <b>Email:</b> <a href="mailto:gitang.dave@axisbank.com">gitang.dave@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>Contact Person:</b> Mr. Gitang Dave</p>	<p><b>HDFC Bank Limited</b> <b>SEBI REGN NO:</b> INBI00000063 FIG – OPS Department, - Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042 <b>Tel:</b> + 91- 22- 3075 2928 <b>Fax:</b> + 91- 22- 2579 9801 <b>Email:</b> <a href="mailto:deepak.rane@hdfcbank.com">deepak.rane@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact Person:</b> Mr. Deepak Rane</p>



## SELF CERTIFIED SYNDICATE BANKS

[•]

The SCSBs as per updated list available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLM's

Since Corporate Strategic Allianz Limited is the sole Book Running lead Manager to the issue, all the responsibility of the issue will be managed by them.

## CREDIT RATING

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

## IPO Grading

This Issue being has been graded by Crisil Limited and has been assigned IPO grade 1/5 (pronounced one on five) indicates that the fundamentals of the IPO are poor through its letter dated April 26, 2011 .A copy of the report provided by Crisil Limited furnishing the rational for its grading is available for inspection at our Registered office from 10.00 A.M to 4.00 P.M.on business during the bidding period.

The Rational for the Grade assigned to our company's IPO By Crisil Limited has been set outin its report. The rational mentioned is as follows.

Grading Rational

### • Backward integration gives cost advantage

Timbor's Umreth plant has timber drying capacity of 15 lakh cubic feet and hi-tech machinery to produce home furniture, door and door frames. Further, the company imports core veneer from Myanmar and Malaysia, which it processes to make plywood. This makes Timbor a small but integrated player who can market its products at a competitive rate. This gives it an edge over large retailers who outsource manufacturing to other vendors. As per the industry, the average price for a modular kitchen varies between Rs 50,000 and Rs 6,00,000 depending upon the brand and design, whereas Timbor's products cost Rs 30,000 – Rs 35,000.

**Table 1: Details of manufacturing capacity**

**Plant No. Location Product Existing Capacity**

Plant No.	Location	Product	Existing Capacity
Unit 1	Changodar	Modular kitchen & Home furniture	5000 p.a.
Unit 2	Umreth	Doors & Door component	99000 pieces and 15 lakh cubic feet timber drying capacity
Unit 3	Vatva	Stainless steel basket & accessories	N.A.

### • Wide spread network with major focus on semi-urban market

Timor began its operation in 2005 with just two franchises and rapidly expanded through a pan-India network. Currently, the company has 84 stores in 17 states with a relatively higher number of stores in Gujarat. Since inception, the company has adopted the franchise model, 81 stores out of the 84 are under the franchise model.

NO.	STATE / UNION TERRITORY	CITIES	NO. OF STORES
1	Andra Pradesh	5	6



2	Chhattisgarh	1	2
3	Gujarat	14	20
4	Goa	2	2
5	Haryana	2	2
6	Jammu & Kashmir	1	1
7	Jarkhand	1	1
8	Karantaka	3	6
9	Kerala	5	6
10	Madhya Pradesh	3	7
11	Maharashtra	6	6
12	Nepal	1	1
13	Orissa	1	1
14	Punjab	2	2
15	Rajasthan	7	7
16	Tamil nadu	2	4
17	Uttar Pradesh	7	9
18	Uttaranchal	1	1
	<b>Total.....</b>	<b>64</b>	<b>84</b>

### **Lack of brand strength**

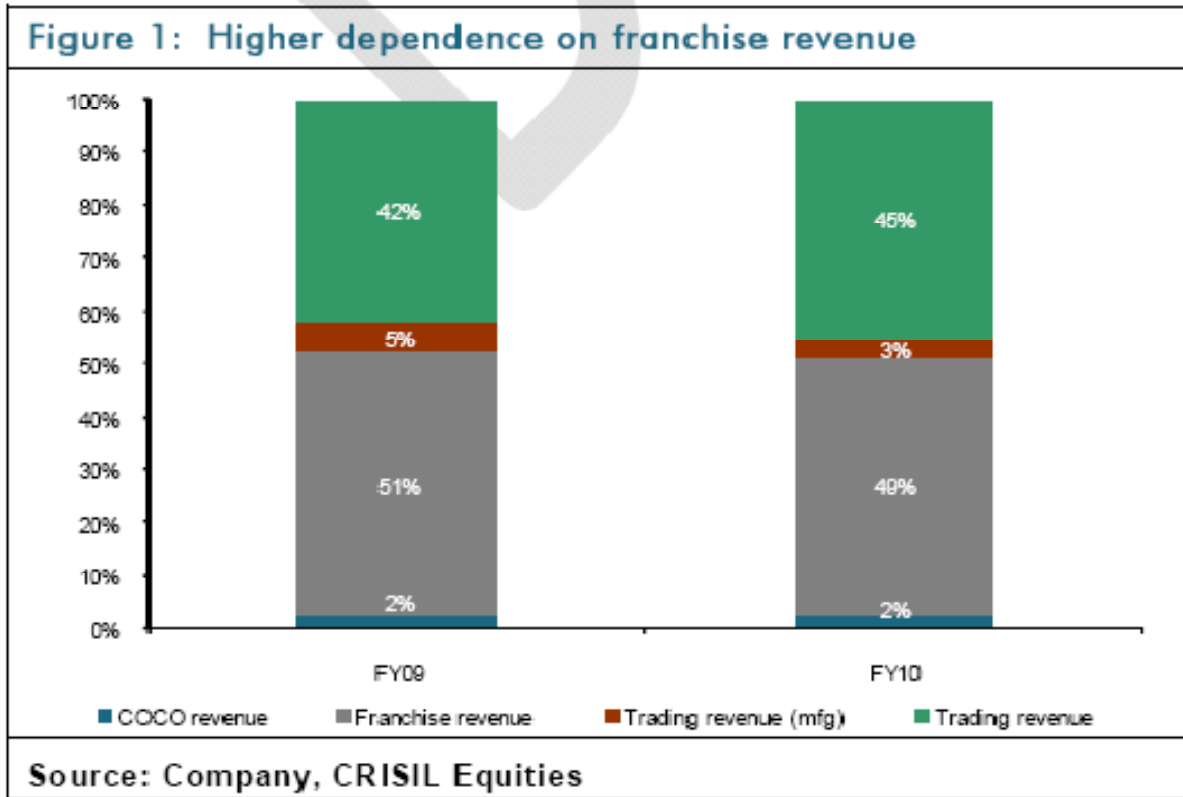
Although the company is into the business for the past five to six years, it has not been able to establish the brand. Brand recall is low compared to major brands like Godrej and Tome Town (Pantaloon), Durian, etc which are well established and has good recall in the market.

#### **• Low entry barrier; tough competition from existing and new players**

Furniture retailing has low entry barriers as there is no major technology or other relevant experience required to run the business. Apart from unorganised players dominating the market, Timbor has face large retailers with strong brands as well as strong balance sheet. The retail furniture industry includes big players from the formal sector such as Future Group, Trent, RPG, Vishal Retail and Godrej. Besides there are popular names like Nilkamal, BP Ergo, Featherlite, Haworth, Style Spa, Yantra, Renaissance, Millenium Lifestyle, Durian, Kian, Tangent, Furniture Concepts, Furniturewalla and PSL Modular among others. Given that there are already a arge number of players in the organised retail furniture market - some already established as strong brands - in our opinion, it would not be easy for Timbor to penetrate the market even though it is competing through lower pricing. Also pricing pressure on the company will have an impact on profitability.

#### **• Heavy reliance on franchise revenue**

Although the company has expanded its network aggressively by pursuing the franchisee model (97% of the Company stores are franchise stores and just 3% is company owned company operated) model. During FY10, the company generated 49% of its revenue from franchise stores; we believe this is a risky move as franchise stickiness becomes the key to success in this very competitive industry. Further, the selection criteria for franchise need to improve as current norms do not include any strict clause for termination and default to ensure franchise stickiness. Further, the average sizes of all franchise stores are 400 sq.ft. , which could restrict the company from offering a variety of products to end users.

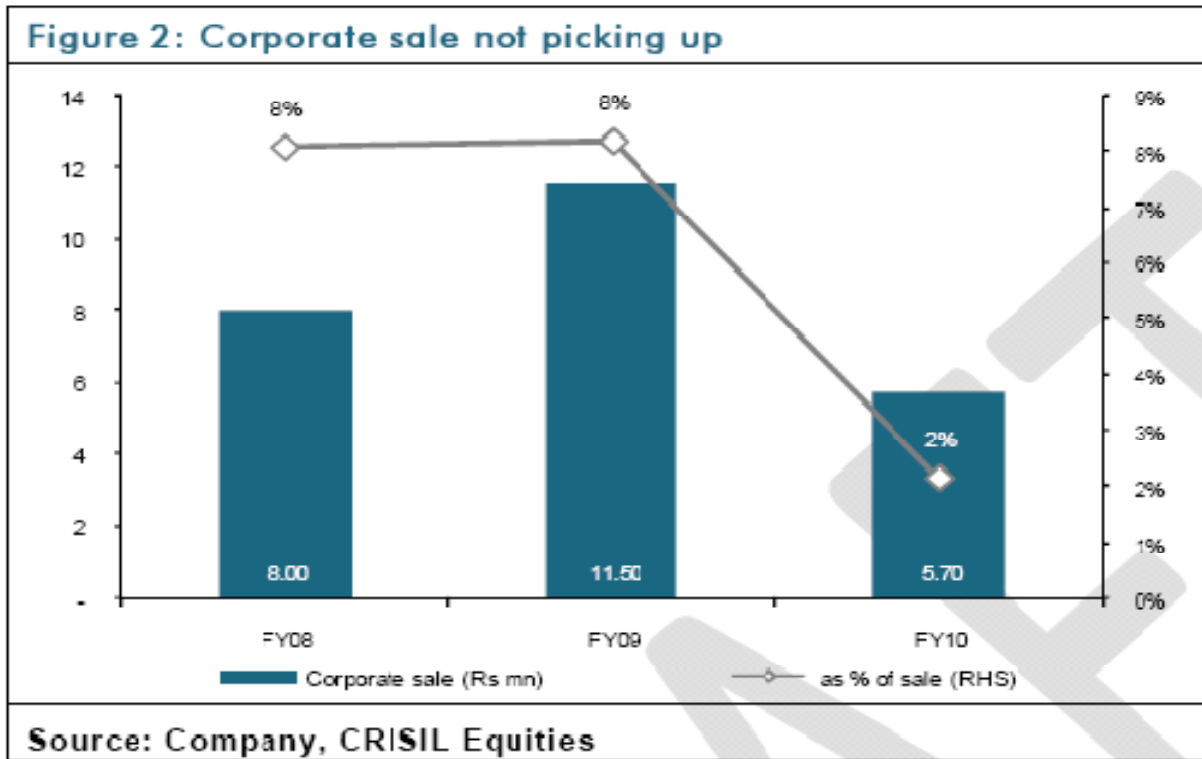


### Corporate sale model to de-risk franchise model ...

With a view to reduce dependence on franchise sale and to curtail investment in the COCO stores, the company is increasingly looking at the corporate sale model. Under this model, the company makes an arrangement with the builders and architect of big corporate houses to supply interiors for their premises. The company has started dealing with many local builders in Gujarat. In our opinion, this is a right step taken by the company to increase its penetration in an industry which is highly competitive.

### However momentum is not encouraging

Although, the company has moved to corporate sales with view to increase its market share and strengthen its brand, it could not take off much and contributed only 2% of total sales in FY10, down from 8% in FY08.



**• Moving to COCO model; increases risk given the high operating leverage**

The company plans to open 20 stores under the COCO model over the next two years. These stores will be larger in size, around 3000-4000 sq.ft, and located in tier-II cities of Gujarat and other states of the country. The company has started shifting its focus from the franchise to the COCO model in order to improve profitability. However, this model has its own risks given the high overhead costs

**Trustees**

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

**APPRAISAL AND MONITORING AGENCY**

The proposed funds requirement is not appraised by any Bank/Financial Institution. As the net proceeds of the Issue will be less than ₹ 50,000 Lacs, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.



## Book Building Process

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The Book Running Lead Manager;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. Syndicate members are appointed by Book Running Lead Manager;
4. Registrar to the Issue;
5. Escrow Collection Bank(s), Refund Bank(s).
6. Self Certified Syndicate Banks.

Regulation 43(2) of the SEBI (ICDR) Regulations, 2009 has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Net Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. In addition, QIBs are required to pay 100% margin amount upon submission of their Bids and the allocation to QIBs will be on a proportionate basis. For further details please refer the section titled *Terms of the Issue page 198 of the Red Herring Prospectus*.

We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed Corporate Strategic Allianz Limited as the BRLM to manage the Issue and procure subscriptions to the Issue.

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

### Illustration of Book Building and Price Discovery Process

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20/- to ₹ 24/- per Equity Share, Issue size of 3,000 Equity Shares and receipt of five Bids from the Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price will be made available at the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)) during the Bidding/ Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%



2,500	20	7,500	250.00%
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The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below ₹ 22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

#### Steps to be taken for bidding

- 1) Check eligibility for making a Bid (*For details please refer to the paragraph titled "Who Can Bid" beginning on page 204 under Chapter titled "Issue Procedure" beginning on page 203 of the Red Herring Prospectus*);
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form including ASBA Form;
- 3) Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms; and
- 4) Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form/ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.

#### WITHDRAWAL OF THE ISSUE

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

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

#### BID/ISSUE PROGRAMME

<b>BID/ ISSUE OPENS ON: 30<sup>th</sup> May, 2011</b>	<b>BID/ ISSUE CLOSES ON: 2<sup>nd</sup> June, 2011</b>
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Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.



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

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

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

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

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price band. Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20%.

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

## **UNDERWRITING AGREEMENT**

After the determination of the Issue Price and allocation of Equity Share, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

*(This Portion has been intentionally left blank and will be filled in before filling of Prospectus with ROC)*



*(₹ In Lacs)*

<b>Name and Address of the Underwriter</b>	<b>Indicative number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten</b>
<b>Corporate Strategic Allianz Limited 402, Samedh Complex, Nr. Associated Petrol Pump, C.G. Road, Ahmedabad – 380006</b>	<b>[•]</b>	<b>[•]</b>
<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

The above-mentioned amount is indicative underwriting and would be finalized after determination of the Issue Price and actual allocation.

“In the opinion of Our Company’s board of directors (based on a certificate given to them by the underwriters), the resources of the underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above mentioned underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The Board has accepted the above underwriting agreement at their meeting held on [•], and Our Company has issued letters of acceptance to the underwriters.”

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



## CAPITAL STRUCTURE

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

	Particulars	Nominal Value (₹)	Aggregate Value (₹ In Lacs)
<b>A.</b>	<b>AUTHORISED EQUITY CAPITAL</b>		
	15000000 Equity Shares of ₹ 10/- each	15,00,00,000	1500.00
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID -UP CAPITAL BEFORE THE ISSUE</b>		
	1,10,66,580 Equity Shares of ₹ 10/- each	11,06,65,800	1106.65
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS #</b>	[•]	[•]
	36,90,000 Equity Shares of ₹10/- each at a premium of ₹ [•] per Share	[•]	[•]
	Of which:#		[•]
	i. QIB portion of upto 18,45,000 equity shares of ₹ 10/- each	1,84,50,000	[•]
	ii. Non Institutional Portion not less than 5,53,500 equity shares of ₹ 10/- each	55,35,000	[•]
	iii. Retail portion of not less than 12,91,500 equity shares of ₹10/- each	1,29,15,000	[•]
<b>D.</b>	<b>NET ISSUE TO THE PUBLIC</b>		
	12,91,500 Equity Shares of ₹10/- each at a premium of ₹ [•] per Share	1,29,15,000	[•]
<b>E.</b>	<b>PAID UP CAPITAL AFTER THE ISSUE</b>		
	1,47,56,580 Equity Shares of ₹10/- each	14,75,65,800	[•]
<b>F.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		[•]
	Share Premium account after the Issue		[•]

**Note:** \*The Issue has been authorized by a resolution of our Board dated July 6<sup>th</sup>, 2010 and by a special resolution passed pursuant to section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on August 10<sup>th</sup>, 2010.

#Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any of the other category or combination of categories at the sole discretion of our Company, in consultation with the BRLM and the designated Stock Exchange(s).



## Notes to the Capital Structure

### 1. Details of increase in Authorised Equity Share Capital since inception

(₹ In Lacs)

Sr. No	Particulars of Increase / Modification	Cumulative No. of Shares	Cumulative Authorised Capital (₹ In Lacs)	Face Value (₹)	Date of Meeting
1	Incorporation	50,000	5	10	11/05/2000
2	Increase from 5 Lacs to 20 Lacs	2,00,000	20	10	29/04/2004
3	Increase from 20 Lacs to 40 Lacs	4,00,000	40	10	05/05/2006
4	Increase from 40 Lacs to 250 Lacs	25,00,000	250	10	30/06/2007
5	Increase from 250 Lacs to 500 Lacs	50,00,000	500	10	07/05/2009
6	Increase from 500 Lacs to 1100 Lacs	110,00,000	1100	10	26/05/2009
7	Increase from 1100 Lacs to 1500 Lacs	150,00,000	1500	10	26/04/2010

### 2. Share Capital History: Our Existing Share Capital has been subscribed and allotted as under:

(₹ In Lacs)

Date of Allotment/ Fully Paid Up	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks	Cumulative Number of Equity Shares	Cumulative Paid up Share Capital	Cumulative Share Premi
May 11, 2000	20	10	10	Cash	Subscribers to the Memorandum	20	0.002	NIL
December 11, 2002	9980	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	10000	1	NIL
June 21, 2004	150000	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	160000	16	NIL
July 28, 2005	40000	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	200000	20	NIL

May 15, 2006	200000	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	400000	40	NIL
July 2, 2007	910990	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	1310990	13.10	NIL
July 3, 2007	200000	10	10	Cash	Allotted to Mr. Jagdish Madhubhai Patel	1510990	151.09	NIL
July 4, 2007	489010	10	10	Cash	Allotted to Maloo Building Materials Private Limited	2000000	200	NIL
October 13, 2008	111111	10	360	Cash	Allotted to Writers & Publishers	2111111	211.11	388.89
March 25, 2009	5625	10	360	Cash	Allotted to Mr. Chandrakanth Premchand Dodia	2116736	211.67	408.58
May 7, 2009	1000000	10	10	Cash	Further allotted to Promoters	3116736	311.67	408.58
June 10, 2009	3116736	10	10	Bonus	Bonus in the ratio of 1:1	6233472	623.34	408.58
Feb 16, 2010	2346316	10	21.31	Cash	Allotment to Bennet Coleman & Co.	8579788	857.97	362.27
April 30, 2010	273470	10	98	Cash	Allotment to Brand Equity Treaties Ltd	8853258	885.32	602.92
April 30, 2010	6	10	98	Cash	Further Allotted 2 shares each to Brand Equity Treaty Ltd, Writer & Publishers Ltd and Chandrakant P. Dodia	8853264	885.32	602.92
June 11, 2010	2213316	10	10	Bonus	Bonus in the ratio of 1:4	11066580	1106.65	381.59

Pursuant to Debenture Subscription Agreement with Benet Coleman & Co. Ltd. dated 27<sup>th</sup> July 2007, the company has issued 2346316 Equity Shares on 16.02.2010 at Issue Price of 21.31 per share.

\* Pursuant to EGM held on 19.05.2009, our company has issued 31,16,736 Bonus Shares in the ratio of one share each for every one share held.(1:1)

#Pursuant to EGM held on 10.06.2010 our company has issued 22,13,316 Bonus Shares in the ratio of one share each for every four shares held (1:4).

The details of bonus issues made by the company and amount debited to Share Premium Account and General Reserve are explained in the below mentioned table:

(₹ In Lacs)

Bonus Issue made during the financial year	2008-09	2009-10	2010-11
By capitalization of Share Premium Account	311.67	Nil	221.33

All the bonus Shares are issued Out of share premium a/c available for distribution amongst the equity shareholder of the company.

### 3. Equity Shares issued for consideration other than cash

Date of Allotment	Number of Equity Shares allotted	Face Value (₹)	Nature of Allotment	Whether benefits have accrued to the issuer
June 10, 2009	3116736	10	Bonus in the ratio of 1:1	Nil
June 11, 2010	2213316	10	Bonus in the ratio of 1:4	Nil

\* Pursuant to EGM held on 19.05.2009, our company has issued 31,16,736 Bonus Shares in the ratio of one share each for every one share held.(1:1)

#Pursuant to EGM held on 10.06.2010 our company has issued 22,13,316 Bonus Shares in the ratio of one share each for every four shares held (1:4).

- Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
- Our Company has not re-valued its assets since inception and has not issued any shares out of the revaluation assets.
- Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- Our Company has not issued any Equity Shares at a price lower than the issue price during the preceding one year from the date of filing of this Red Herring Prospectus except as mentioned below:-

Date of Issue	Name of the Persons	No. of Shares	Issue Price(₹)	Reasons for such issue	Nature of Consideration	Whether Part of Promoter Group
	Bennett Coleman & Co. Ltd.	2346316	21.31	Issue of Shares as per the	Conversion of Debentures into Equity	No



February 16, 2010				Clause of Convertible Debenture Subscription Agreement	Shares	
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**8. Promoter's Contribution and Lock-in details in respect of Promoters, whose names figure in the Red Herring Prospectus as Promoters in the paragraph on "Promoters and their Background" are as under:**

**Capital built up of the Promoters is detailed below:**

Name of the Promoter	Date of Allotment / Transfer and made fully paid		Nature of Allotment (Bonus, Rights etc)	No. of Shares	of Face Value (₹)	Issue/ Transfer Price	Consideration	% of total pre & post issue capital		Lock in period
Mr. Anant Sureshchandra Maloo	May 11, 2000	May 11, 2000	Subscription to Memorandum	10	10	10	Cash			1 year
	June 21, 2004	June 21, 2004	Further Allotment	75000	10	10	Cash			3 years
	July 28, 2005	July 28, 2005	Further Allotment	35000	10	10	Cash			1 year
	May 15, 2006	May 15, 2006	Further Allotment	80000	10	10	Cash			1 year
	July 2, 2007	July 2, 2007	Further Allotment	309990	10	10	Cash			1 year
	May 7, 2009	May 7, 2009	Further Allotment	287500	10	10	Cash			1 year
	June 10, 2009	June 10, 2009	Further Allotment: Bonus	787500	10	Nil	Bonus			3 years
	June 11, 2010	June 11, 2010	Further Allotment: Bonus	393750	10	Nil	Bonus			1 year
				19,68,750				17.79	13.34	
M/s. Maloo Building Material Private Limited	July 2, 2007	July 2, 2007	Further Allotment	1000	10	10	Cash			3 years

	July 2, 2007	July 2, 2007	Transferred (from Amit Patel Gaurang Bhatt Gaurang Vaishnav Ramesh Vora Sudhir Shah Shilpa Sharma)	9990	10	10	Cash		3 years
	July 4, 2007	Feb 5, 2008	Further Allotment	489010	10	10	Cash		1 year
	May 7, 2009	May 7, 2009	Further Allotment	712500	10	10	Cash		1 year
	June 10, 2009	June 10, 2009	Further Allotment: Bonus	1212500	10	Nil	Bonus		3 years
	June 11, 2010	June 11, 2010	Further Allotment: Bonus	606250	10	Nil	Bonus		1 year
				30,31,250				27.39	20.54
Mr. Manan Vidhyapati Patel	June 21, 2004	June 21, 2004	Allotment of shares	75000	10	10	Cash		1 year
	May 15, 2006	May 15, 2006	Further Allotment	70000	10	10	Cash		3 years
	July 2, 2007	July 2, 2007	Further Allotment	305000	10	10	Cash		1 year
	June 10, 2009	June 10, 2009	Further Allotment: Bonus	450000	10	Nil	Bonus		3 years
	June 11, 2010	June 11, 2010	Further Allotment: Bonus	225000	10	Nil	Bonus		1 year
				1125000				10.17	7.62
Mr. Abhijeet Dwarkadas Daga	July 28, 2005	July 28, 2005	Allotment of shares	5000	10	10	Cash		1 year
	May 15, 2006	May 15, 2006	Further Allotment	50000	10	10	Cash		3 years

	July 2, 2007	July 2, 2007	Further Allotment	295000	10	10	Cash		1 year
	June 10, 2009	June 10, 2009	Further Allotment: Bonus	350000	10	Nil	Bonus		3 years
	June 11, 2010	June 11, 2010	Further Allotment: Bonus	175000	10	Nil	Bonus		1 year
				875000				7.91	5.93
<b>TOTAL</b>				<b>700000</b>					

**9. Details of aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a body corporate:**

Maloo Building Material Pvt. Ltd. is one of the promoter of the Company. Directors of this Company are Mr. Anant Maloo and Mr. Abhijeet Daga and the details of Shareholding of the Company is below:

Sr.	Name	No. of Shares	% of Shareholding
1.	Anant Maloo	150495	79.28
2.	Nina Maloo	11000	5.79
3.	Sanjay Maloo	9305	4.90
4.	Nilima Maloo	9000	4.74
5.	Shalini Maloo	2500	1.32
6.	Kirti Gajjar	2500	1.32
7.	Pravin Singh Chawda	2500	1.32
8.	Rajesh Sharma	2500	1.32
9.	Ajay Maloo	5	0.0026
10.	Vaidehi Trivedi	5	0.0026
11.	Pradeep Patel	5	0.0026
12.	Jagdish Patel	5	0.0026
	Total	189820	100

- 10.** During the past six months, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in promoter group (as defined under sub-clause (zb) sub-regulation(1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company.
- 11.** None of our Promoters, Promoter Group Entities, Directors or the relatives thereof have financed the purchase of the Equity Shares of our Company by any other person or entity during the period of six months immediately preceding the date of filing the Red Herring Prospectus with SEBI.
- 12. The Equity Shares which are eligible for being locked in for three years as per SEBI (ICDR) Regulations, 2009.**

Name of Promoter	Date of allotment / Transfer and made fully paid	Nature of allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue/ Transfer Price	Consi derati on	% of Post Issue Capital	Lock in period (Years)
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Mr. Anant Sureshchandra Maloo	June 21, 2004	Equity Shares	75,000	10	10	Cash		3 years
	June 10, 2009	Bonus	7,87,500	10	Nil	Nil		3 years
							<b>5.84</b>	
M/s. Maloo Building Material Private Limited	July 2, 2007	Equity Shares	1,000	10	10	Cash		3 years
	July 2, 2007	Transferred (from Amit Patel Gaurang Bhatt Gaurang Vaishnav Ramesh Vora Sudhir Shah Shilpa Sharma)	9,990	10	10	Cash		3 years
	June 10, 2009	Bonus	12,12,500	10	Nil	Nil		3 years
							<b>8.29</b>	
Mr. Manan Vidhyapati Patel	May 15, 2006	Equity Shares	70,000	10	10	Cash		3 years
	June 10, 2009	Bonus	4,50,000	10	Nil	Nil		3 years
							<b>3.52</b>	
Mr. Abhijeet Dwarkadas Daga	May 15, 2006	Equity Shares	50,000	10	10	Cash		3 years
	June 10, 2009	Bonus	3,50,000	10	Nil	Nil		3 years
							<b>2.71</b>	
<b>Total</b>			<b>30,05,990</b>				<b>20.37</b>	

\* 20% of the Post-Issue Paid-up Equity Share Capital, as determined after the book-building process, would be locked-in for a period of three years from the date of allotment and the balance Pre-Issue Paid-up Equity Share Capital would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue. These securities will not be disposed / sold / transferred by the Promoters during the period starting from the date of filing the Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Red Herring Prospectus.

Note: All the Equity Shares which are being locked in for three years are eligible for computation of Promoters' contribution and lock in as per SEBI (ICDR) Regulations, 2009.

**13. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years does not consist of :**

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

#### Details of Shares Locked in for 1 Year:

In terms of regulation 37 of the SEBI (ICDR) Regulations, 2009, in addition to 20% of post-issue shareholding of the Company held by the Promoters for three years, as specified above, the entire pre-issue issued equity share capital of the Company, including the shareholding of persons falling under promoters, and non-promoter category, will be locked in for a period of one year.

The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as one year from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. The Promoters/promoter group/ other pre-IPO non-promoter shareholder have given their written consent for lock-in for a period of 1 year.

The Promoters have given an undertaking and have agreed not to sell / transfer /pledge /or dispose of in any manner, Equity Shares forming part of the Promoters contribution from the date of filing of this Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

- 14. Our Company, our Promoter, our Directors and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Red Herring Prospectus.
- 15. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum bid lot in this Issue.

Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

- 16. Since the entire money of ₹ [●] per share (₹ 10 face value + ₹ [●] premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares only.

The Pre-Issue & Post-Issue shareholding pattern of our Promoter & Promoter Group is as under:

Sr.	Particulars	Pre- Issue		Post- Issue	
		No. of Shares	% Holding	No. of Shares	% Holding

<b>A</b>	<b>Promoter</b>				
	Mr. Anant Sureshchandra Maloo	<b>19,68,750</b>	<b>17.79%</b>	<b>19,68,750</b>	<b>13.34</b>
	M/s. Maloo Building Material Private Limited	<b>30,31,250</b>	<b>27.39%</b>	<b>30,31,250</b>	<b>20.54</b>
	Mr. Manan Vidhyapati Patel	<b>11,25,000</b>	<b>10.17%</b>	<b>11,25,000</b>	<b>7.62</b>
	Mr. Abhijeet Dwarkadas Daga	<b>8,75,000</b>	<b>7.91%</b>	<b>8,75,000</b>	<b>5.93</b>
<b>B</b>	Immediate Relatives of the Promoter	-	-	-	[●]
<b>C</b>	Companies in which 10 % or more of the share capital is held by the promoters/ an immediate relative of promoter/ a firm or HUF in which the Promoter or any one or more of their immediate relatives is a member	-	-	-	[●]
<b>D</b>	Companies in which company mentioned in c. above holds 10% or more of the share capital	-	-	-	[●]
<b>E</b>	HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	-	-	-	[●]
<b>F</b>	All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the Promoter Group".	-	-	-	[●]
	<b>Total Promoter and Promoter Group Holding</b>	<b>70,00,000</b>	<b>63.26</b>	<b>70,00,000</b>	<b>[●]</b>

17. Shareholding Pattern of our Company before and after the Issue is as under:

<b>Category</b>	<b>Pre- Issue</b>		<b>Post- Issue</b>	
	<b>No. of Shares</b>	<b>% Holding</b>	<b>No. of Shares</b>	<b>% Holding</b>
Promoter : Individuals	<b>39,68,750</b>	<b>35.86</b>	<b>39,68,750</b>	[●]
Promoter : Body Corporate	<b>30,31,250</b>	<b>27.39</b>	<b>30,31,250</b>	[●]
Employees	<b>Nil</b>	<b>Nil</b>	[●]	[●]
Public : Individuals	<b>5,14,065</b>	<b>4.65</b>	[●]	[●]
Public : Body Corporate	<b>35,52,515</b>	<b>32.10</b>		
<b>TOTAL</b>	<b>11066580</b>	<b>100.00</b>		

\*The final Post Issue Shareholding pattern will be determined after the Book-Building Process.

18. The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the securities.

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

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

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

22. Equity Shares held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
- (a) if the specified securities are locked-in for 3 years in terms of clause (a) of regulation 36 of SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;
- (b) if the specified securities are locked-in for one year in terms of clause (b) of regulation 36 of SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.
23. In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
24. Under subscription, if any, in the Qualified Institutional Buyers Portion, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLMs. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.
25. As on date of filing of the Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.
26. Particulars of top ten shareholding is as follows:
- a. *As on date of filing the Red Herring Prospectus*

Sr. No	Name of the Shareholders	No. of Shares	% of the Issued Capital
1	Mr. Anant S. Maloo	1968750	17.79%
2	Mr. Manan V Patel	1125000	10.17%
3	Mr. Abhijeet D. Daga	875000	7.91%
4	Mr. Jagdish Patel	500000	4.52%
5	Maloo Building Material Pvt Ltd	3031250	27.39%
6	Mr. Chandrakant P. Dodia	14065	0.13%
7	Bennett, Colman & Co. Ltd	2932895	26.50%
8	Writer & Publishers Ltd	277780	2.51%
9	Brand Equity Treaties Ltd	341840	3.09%
	<b>TOTAL</b>	<b>11066580</b>	<b>100.00</b>

b. *10 days prior to the date of filing the Red Herring Prospectus*

Sr. No	Name of the Shareholders	No. of Shares	% of the Issued Capital
1	Mr. Anant S. Maloo	1968750	17.79%
2	Mr. Manan V Patel	1125000	10.17%
3	Mr. Abhijeet D. Daga	875000	7.91%

4	Mr. Jagdish Patel	500000	4.52%
5	Maloo Building Material Pvt Ltd	3031250	27.39%
6	Mr. Chandrakant P. Dodia	14065	0.13%
7	Bennett, Colman & Co. Ltd	2932895	26.50%
8	Writer & Publishers Ltd	277780	2.51%
9	Brand Equity Treaties Ltd	341840	3.09%
	<b>TOTAL</b>	<b>11066580</b>	<b>100.00</b>

c. 2 years prior to the date of filing the Red Herring Prospectus

Sr. No	Name of the Shareholders	No. of Shares	% of the Issued Capital
1	Mr. Anant S. Maloo	5,00,000	23.62
2	Mr. Manan V Patel	4,50,000	21.26
3	Mr. Abhijeet D. Daga	3,50,000	16.53
4	Mr. Jagdish Patel	2,00,000	9.45
5	Maloo Building Material Pvt Ltd	5,00,000	23.62
6	Writes & Publishers Limited	1,11,111	5.25
7	Chandrakant P. Dodia	5625	0.27
	<b>TOTAL</b>	<b>21,16,736</b>	<b>100.00</b>

27. Our Company has not raised any bridge loan against the proceeds of this Issue.
28. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
29. Our Promoters and members of our Company will not participate in the Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
31. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
32. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
33. We have 9 shareholders as on the date of filing of the Red Herring Prospectus.



## OBJECTS OF THE ISSUE

The objects of the issue are as follows:

1. Purchase of Machinery
2. Establishment of new stores across India
3. Additional working capital requirements
4. Public Issue Expenses
5. General Corporate Purpose.
6. To list shares of the company

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

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

### Cost of Project & Means of Finance

The cost of project and means of finance as estimated by our management are given below:

#### Cost of Project

(₹ In Lacs)

Sr. No	Particulars	Amount
1	Plant and Machinery for Capacity Expansion	259.60
2	Establishment of Stores	400.00
3	Additional Working Capital Requirement	1318.25
4	Public Issue Expenses	[•]
5.	General Corporate Purpose	[•]
	<b>TOTAL</b>	[•]

#### Means of Finance

(₹ In Lacs)

Sr. No	Particulars	Amount
1	Proceeds from Initial Public Offer	[•]
2	Internal Accruals	[•]
	<b>TOTAL</b>	

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and/or utilizing internal accruals. In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilized for General Corporate Purposes. *For further details please refer to the Paragraph titled "General Corporate Purposes" beginning on page 66 under Chapter titled "Objects of the Issue" of the Red Herring Prospectus.*

"We propose to meet our expenditure towards the Objects of the Issue entirely out of the proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply."



The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our plans are subject to a number of variables, including possible cost overruns; receipt of critical governmental approvals; and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other project and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions.

**As on 31<sup>st</sup> December ,2010 the Internal cash accruals of the company was Rs 358.06lacs as certified by our statutory auditor of the company Arvind A.Thakkar & co vide certificate dated 25<sup>th</sup> April, 2011 .In case of any shortfall in the net proceeds, the internal cash accruals is adequate to meet the shortfall.**

### Appraisal

Our Company has not got its proposed requirements of funds as detailed in this chapter appraised by any bank or financial institution.

### Brief Details about the Project

#### 1. Details of Plant & Machinery required for the current project

<b>Details of Plant &amp; Machinery required for the Current Project :</b>									
(₹ in Lacs)									
Sr #	Imported or Indigenous	Quotation No. & date / Invoice No and date	Qty.	Description	Cost (in Lacs)	Suppliers Name and Address	Expected Date of Delivery on site	Installation Schedule	Advance Paid
01	Indigenous	09.08.2010	01 Nos.	Hudraulic Hot Press (8x4) Capacity 640 Tons	37.50	Vinod Fabricators D/52/B, Diamond Park	Not decided	Not decided	0.00
			01 Nos.	Scissor Lift for 10 Daylight Hot Press	1.75	G.I.D.C., Naroda, Ahmedabad - 382330			
			01 Nos.	Assembly Press With vice Size : 8 x 4 feet	10.00				
					49.25				
				Add : Vat @ 5%	2.46				
				<b>Total Value of Machine</b>	<b>51.71</b>				
02	Indigenous	124/2010-11	02 Nos.	Auto Drive Finger Shaping Machine	2.45	Umisons Industries	Not decided	Not	0.00



		20.08.2010		with Suction Blower & Electricals		Opp. Kailash Petrol		decided	
			02 Nos.	Finger Pressing Vice	2.31	Pump, N.H. No.8,			
			48 Nos.	Finger Cutter 7mm x 21mm	0.46	Naroda,			
			02 Nos.	Facing Cutter 6.5"	0.06	Ahmedabad - 382330			
			01 No.	Auto Feed Sander	1.65				
			01 No.	Heal & Press (Automatic)	1.26				
			01 No.	Bricketer Machine	2.16				
			02 Nos.	Beam Jointing Press (Hydraulic)	3.99				
					14.34				
				Add : Vat @ 5%	0.72				
				<b>Total Value of Machine</b>	<b>15.06</b>				
03	Imported	Invoice 1020053 Dated 26.07.2010	01 No.	Oscillating Spraying Machine Kleenspray 12/p equipped (Euro 90000.00)	54.32	Sorbini s.r.l. Sede Legale/Head, Office : Via G.Bartnlucci 24 - 61122 Pesaro Italy	08.10.2010	Installed	
				Add : Custom Duty @ 25%	13.16				
					67.48				
				Add : Freight Forwarding @ 2%	0.99				
				<b>Total Value of Machine</b>	<b>68.47</b>				
04	Imported	Invoice 50R0017/10 Dated 8 <sup>th</sup> October,2010	01 No.	Format widebeltsander GIANT with Fittings Finish 1302(Timbor)	49.31	Felder U K Limited Branch office India Plot#136D Govt. Industrial Estate Charkop, Kandivali ( West) Mumbai	21.10.2010	Installed	
				Add : Custom Duty @ 25%	13.11				



					62.42				
				Add : Freigt Forwarding @ 2%	1.25				
				<b>Total Value of Machine</b>	<b>63.67</b>				
05	Imported	50R0163/08 12.08.2010	02 Nos.	Accessories (Euro 8050.00)	4.83	Felder KG (Zentrale Werk HALL in Tirol) A-6060 HALL in Triol KR-Felder- Strafe I Austria	Not decided	Not decided	0.00
				Add : Custom Duty @ 25%	1.23				
					6.06				
				Add : Freigt Forwarding @ 2%	0.12				
				<b>Total Value of Machine</b>	<b>6.18</b>				
06	Imported	20.08.2010	01 No.	Edgebanding Machine – 710 with Fittings (Euro 40000.00)	24.00	Felder KG (Zentrale Werk HALL in Tirol) A-6060 HALL in Triol KR-Felder- Strafe I Austria	Not decided	Not decided	0.00
				Add : Custom Duty @ 25%	6.10				
					30.10				
				Add : Freigt Forwarding @ 2%	0.61				
				<b>Total Value of Machine</b>	<b>30.71</b>				
07	Imported	20.08.2010	01 No.	Widebelt Sander Finish Machine 1302 with Fittings (Euro 31000.00)	18.60	Felder KG (Zentrale Werk HALL in Tirol) A-6060 HALL in Triol KR-Felder- Strafe I Austria	Not decided	Not decided	0.00
				Add : Custom Duty @ 25%	4.73				
					23.33				
				Add : Freight Forwarding @ 2%	0.47				



				<b>Total Value of Machine</b>	<b>23.80</b>				
			#	<b>GROSS VALUE OF MACHINES</b>	<b>259.60</b>				

Note : 1. Company has not entered into any agreement for the Supply of Plant and machinery.

## 2. Establishment of 20 Showrooms

We intend to establish 20 more showrooms in India. The total cost estimated for setting up of these offices is ₹ 400.00 Lacs

### Cost of Setting up Showrooms:

(₹ In Lacs)

Particulars	State	City	Amount
	All India		
Area in Sq ft	<b>5000</b>		
Rental Deposit for 3 months		All India	150
Furnishing, Furniture & Fixtures	<b>@ 251/- per sq.ft</b>	All India	250
<b>TOTAL</b>			<b>400</b>

## 3. Additional Working Capital Requirement

We have existing banking relationships with sanctioned working capital limits as provided in the "Annexure 13 Secured Loans" beginning on page 161 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilize a part of the Issue Proceeds to fund additional future working capital requirements.

Since our company operates in the manufacturing industry, the debtors and creditors form the major component of the working capital requirements. Timbor Home is expanding Production capacity and Opening of 20 new showrooms which requires Additional Working Capital. Working Capital has been calculated by Company Management based on holding period of the current assets in the previous accounting years. The Additional Working Capital requirement has been verified by the Banker for enhancing Working Capital Limit, details of which are mentioned hereunder:

(₹ In Lacs)

Working Capital Requirements:		2010-11		2011-12
Particulars		(Actual)		(Estimated)
<b>Current Assets :</b>				
<b>Inventory :</b>				
		1711.76		2693.83
	Raw Material	1468.67		2199.54
	Work in Progress	40.18		123.57
	Finished Goods	202.91		370.72
	Sundry Debtors	3451.10		3287.67

Cash and Bank Balances		74.76		46.12
Loans and Advances		1042.45		1180.68
<b>Total Current Assets (A)</b>		<b>6280.07</b>		<b>7208.30</b>
Less : Current Liabilities & Provisions (B)		1673.08		1283.06
<b>Gross Working Capital (A-B)</b>		<b>4606.99</b>		<b>5925.24</b>
Less : Existing Bank Borrowings Sanctioned		2500.00		2500.00
<b>NET WORKING CAPITAL</b>		<b>2106.99</b>		<b>3425.24</b>
<b>Funding Through :</b>				
Own Funds		2106.99		2106.99
Internal Cash Accruals		0		
Issue Proceeds		0		1318.25

As per the sanction letter of Union Bank of India dated 20<sup>th</sup> January, 2011 the working capital requirements are to be revised after IPO collection, which will increase available funds in the hands of the company.

The assumptions about the Holding norms for each type of Current Assets and Total Current Liabilities for Estimation of Working Capital Requirements are given below:

<b>Working Capital Requirements:</b>	<b>Holding Period (In months)</b>	
<b>Particulars</b>	<b>2010 -11</b>	<b>2011-12</b>
	(Actual)	(Estimated)
Current Assets :		
Inventory :		
Raw Material	2.43	3
Work in Progress (In Days)	2	5
Finished Goods	0.47	0.50
Sundry Debtors	5.11	4
Current Liabilities & Provisions	2.78	1.75

#### 4. Public Issue Expenses

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

<b>Activity</b>	<b>₹ In Lacs</b>	<b>% of the Issue Expenses</b>	<b>% of Total Issue Size</b>
Fees Payable to Lead Manager	[•]	[•]	[•]
Fees Payable to Registrar	[•]	[•]	[•]
Fees Payable to Legal Advisor	[•]	[•]	[•]
Fees Payable to	[•]	[•]	[•]

Appraising Entity			
IPO Grading Fees	[•]	[•]	[•]
Advertising and Marketing Expenses	[•]	[•]	[•]
Printing and Stationery & Distribution	[•]	[•]	[•]
Brokerage	[•]	[•]	[•]
Others	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

## 5. General Corporate Purpose

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

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

### Schedule of Implementation

Sr. No	Particulars	Month of Commencement	Month of Completion
1	Plant & Machinery	Oct-Nov 2010	January -March 2012
2	Establishment of Stores	July –August 2011	Feb –March 2013

### Deployment of Funds in the Project

We have incurred the following expenditure on the project. The same has been certified by our statutory auditors M/s. Arvind A. Thakkar & Co, Chartered Accountants *vide* their certificate dated April 25<sup>th</sup> 2011.

(₹ In Lacs)

Sr. No	Particulars	Expenses Incurred as on April 20,2011
1	Plant and Machinery	132.58
2	Establishment of Stores	0.00
3	Additional Working Capital Requirement	0.00
4	Public Issues & Corporate Expenses	11.34
	<b>TOTAL</b>	<b>143.92</b>



### Source of Funds

(₹ In Lacs)

Sr. No	Particulars	Expenses Incurred as on April 20,2011
1.	Internal Accruals	62.05
2	Supplier's Credit	81.87
	<b>TOTAL</b>	<b>143.92</b>

### Details of Balance Fund deployment in the Project

(₹ In Lacs)

Sr. No	Particulars	Expenses Incurred as on April 20,2011	FY 2012	FY 2013
1	Plant and Machinery	132.58	127.02	00.00
2	Payment to machinery supplier		81.87	
3	Establishment of Stores	0.00	140.00	260.00
4	Additional Working Capital Requirement	0.00	1318.25	
5	Public Issues & Corporate Expenses	11.34	[•]	[•]
	<b>TOTAL</b>	<b>143.92</b>	<b>[•]</b>	<b>[•]</b>

### Interim Use of Funds

The management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the Issue Proceeds received by us. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration or for reducing overdraft.

### Monitoring of Issue proceeds

Our Audit Committee will also monitor the utilization of the Issue Proceeds. We will disclose the utilization of the Issue proceeds under separate head in our balance sheet for the Financial Year 2010 and 2011.

Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by the Statutory Auditors. Further, our Company will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in the Red Herring Prospectus. Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. We will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet till such time the Issue Proceeds have been utilized, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the



Issue Proceeds have been utilized, provide details, if any, in relation to all such Issue Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Issue Proceeds.

No part of the Issue Proceeds of this issue will be paid as consideration to our Promoters, directors, key managerial employees or group concerns/companies promoted by our Promoters.



## BASIC TERMS OF THE ISSUE

### Terms of the Issue

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

### Terms of Payment

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

### Ranking of Equity Shares

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

### Face Value and Issue Price per Share

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

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

### Market Lot and Trading Lot

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

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

### Minimum Subscription

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

## BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “About Us” and “Financial Information” beginning on pages 12, 80 & 145 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of book building.

### QUALITATIVE FACTORS

- Our Promoters have wide experience in Kitchen & Furniture industry having more than a decade of experience.
- Brand name of the Company was established for its Kitchen & Furniture product range in domestic market.
- Cost efficient sourcing and locational advantage.
- Having strong dealers network throughout the country.

### QUANTITATIVE FACTORS

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

#### 1. Adjusted Earnings Per Share

Particulars	EPS (₹)	Weight
Year Ended March 31, 2008	4.51	1
Year Ended March 31, 2009	5.97	2
Year Ended March 31, 2010	3.07	3
Period ended Dec 31, 2010	3.07	
<b>Weighted Average EPS</b>		<b>4.28</b>

#### 2. Price Earning (P/E) in relation to Issue Price of Rs [•] per share

Particulars	Issue Price of Rs [•] Per Share
Based on March 2010 EPS of Rs 3.07	[•]
Based on weighted average EPS of Rs 4.28	[•]
<b>Industry PE Multiple:</b>	
Highest: Century Ply	<b>19.3</b>
Lowest: Green Ply	<b>9.4</b>

Source: Capital Market Vol.XXV/12 date Sept 20-Oct 03, 2010 ; Category “ Miscellaneous Industry”

#### 3. Return on Network

Year	RONW%	Weight
Year Ended March 31, 2008	24.17	1
Year Ended March 31, 2009		2





	14.60	
Year Ended March 31, 2010		3
	9.46	
Period Ended Dec 31,2010	14.06	
<b>Weighted Average</b>		<b>13.63</b>

\*Return on Networth has been calculated by dividing net profit after tax as restated by the net worth as restated at the end of the year.

4. Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS of 3.16 is %  
(Based on the Restated Financial Statements).

#### 5. Net Asset Value (₹)

Particulars	NAV (₹)
As on March 31 2010	21.91
Issue Price	[●]
Post Issue	[●]

NAV per equity share has been calculated as Networth divided by weighted average number of equity shares. Weighted average number of equity shares has been computed as per AS 20.

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

There are no strict comparables of the products and industry in which our Company operates based on the product line.

Name of the Company	Sales(Rs. In Lacs)	Face Value (Rs.)	EPS (Rs.)	P/E	RONW (%)	NAV (Rs)
Green Ply.	93230.00	5	22.1	9.4	22.00	140.95
Archid Ply.	15130.00	10	3.6	9.5	20.50	133.96
Timbor Home Ltd.	5104.00	10	3.07	--	9.46	21.92

\*In which Industry we operate there is no listed company, so for the information purpose we are putting the figures as these companies are part of our industry

Source: Capital Market Vol.XXV/12 date Sept 20-Oct 03, 2010 ; Category " Miscellaneous Industry"

7. The face value of our Equity Shares in Rs. 10 per share and the Issue Price of ₹. [●] is [●] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

The BRLMs believes that the Issue Price of ₹ [●] per Equity Shares is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Red Herring Prospectus to have a more informed view about the investment proposition.

8. All the financial ratios(of the issuer Company and of the Peer Group Company) are on Standalone basis



**STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("THE ACT")  
AVAILABLE TO TIMBOR HOME LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS**

**STATEMENT OF TAX BENEFITS**

To  
The Board of Directors,  
Timbor Home Limited,  
Ahmedabad,  
Gujarat

Dear Sirs,

We hereby report that the attached Annexure states the possible tax benefits available to Timbor Home Limited ('the Company') and to the shareholders of the Company under the Income Tax Act 1961, Wealth Tax Act, 1957 and the Gifts Tax Act 1958, presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperative, the Company may or may not choose to fulfill.

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

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

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

The contents of this Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretations of the current tax laws.

For, Arvind A. Thakkar & Co.  
Chartered Accountants

Proprietor  
Membership No. 014334  
FRN No.: 100571W

Place: Ahmedabad  
Date: 25.04.2011



## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS**

### **SPECIAL TAX BENEFITS**

There are no Special Tax Benefits Available to the Company, Resident Members, Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors, Foreign Institutional Investors (FIIs) and Mutual Funds.

### **GENERAL TAX BENEFITS**

#### **Under the Income Tax Act, 1961 (“the Act”)**

The following tax benefits shall, interalia, be available to the company and the prospective shareholders under the Act, subject to fulfilling certain conditions as required in the respective Acts.

#### **A. General Benefits Available to the Company**

1. Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company will be entitled to a deduction for depreciation: -
  - a) In respect of tangible assets.
  - b) In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31<sup>st</sup> day of March, 1998 at the rates prescribed under Income Tax Rules, 1962.
  - c) In respect of any new machinery or plant (other than ships and aircraft which has been acquired and installed after 31<sup>st</sup> March, 2005, a further sum of 20% of the actual cost of such machinery or plant will be allowed as a deduction.
  - d) Unabsorbed depreciation if any, for an Assessment Year can be carried forward & set off against any sources of income in subsequent Assessment Years as per section 32(2) of the Act.
2. Under the provisions of section 35(1)(i) of the Act read with clause (iv) of this subsection, the Company shall be eligible for deduction of any expenditure (except capital expenditure for acquisition of land) laid out or expended on scientific research related to the business of the company.
3. Under the provisions of section 35(1)(ii) of the Act, the Company shall be eligible for a weighted deduction of 175% of any sum paid to certain scientific research association or to a university, college or other institution to be used for scientific research, subject to fulfillment of the prescribed conditions.
4. Under the provisions of section 35(1)(iia) of the Act, the Company shall be eligible for a weighted deduction of 175% of any sum paid to a company to be used by it for scientific purpose, subject to fulfillment of the prescribed conditions.
5. Under the provisions of section 35(1)(iii) of the Act, the Company shall be eligible for a weighted deduction of 125% of any sum paid to a university, college or other institution to be used by it for research in social science or statistical research, subject to fulfillment of the prescribed conditions.
6. Under the provisions of section 35(2AB) (i) of the Act, the Company shall be eligible for a weighted deduction of 200% of any expenditure incurred by the Company on in-house scientific research and development facility approved by the prescribed authority.

7. Under the provisions of section 35AC of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to a public sector company or to a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme or for any expenditure directly made by it on the eligible project or scheme.
8. Under the provisions of section 35CCA of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of rural development or training of persons for implementing such programmes approved by the prescribe authority or to a rural development fund or to the National Urban Poverty Eradication Fund set up and notified by the Central Government in this behalf.
9. Under the provisions of section 35CCB of the Act, the Company shall be entitled to deduction for any expenditure by way of payment of any sum to an association or institution which has as its object the undertaking of any programme of conservation of natural resources or afforestation or to a fund for afforestation set up and notified by the Central Government.
10. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5<sup>th</sup> of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in the section.
11. Under the provisions of section 54EC of the Act and subject to the conditions and to be extent specified therein, long term capital gains [not covered under the section 10(38) of the Act arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months from the date of transfer in the bonds issued by-
  - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988 on or after the 1<sup>st</sup> day of April 2006.
  - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 on or after the 1<sup>st</sup> day of April, 2006.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three year from the date of their acquisition. However as per 1<sup>st</sup> Proviso to section 54EC(I), the investments made in the long Terms Specified Asset on or after April 1, 2007 by any assesses during the financial year should not exceed 50 Lacs rupees.

12. Under section 80G of the Act, the Company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of sums paid, subject to limits and conditions as provided in the section.
13. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising on transfer of a long term capital asset, being listed securities, or specified units, and zero coupon bond, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the assessee
14. Minimum Alternate Tax (MAT) is a minimum tax which a company needs to pay when income-tax payable on the total income as computed under this Act is less than 18% of its book profit. Credit is allowable for the difference between MAT paid and the tax computed as per the normal provisions of the Act. MAT credit can be utilized to the extent of difference between any tax payable under the normal provisions and MAT payable for the relevant year. However, MAT credit cannot be carried forward and set off beyond 10 assessment years immediately succeeding the assessment year in

which it becomes allowable to be carried forward, under the provisions of sub-section (3A) read with sub-section (1A) of section 115JAA of the Act.

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

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

## **B. General Benefits Available to Company and Resident Members**

1. Under section 10(34) of the Act, income earned by way of dividend from domestic company referred to in section 115-O of the Act is exempt from income-tax in the hands of the shareholders. However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.
2. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented Mutual fund (i.e capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid is exempt. However, from Financial Year 2006-2007, income by way of long-term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
3. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax).
4. Short-terms capital loss on sale of shares can be set off against any capital gain income, long term or short term, in the same assessment year. It should be noted that such loss can be set off only against capital gain income and not against any other head of income. Balance short-term capital loss, if any, can be carried forward up to eight assessments years. In the subsequent year also, it can be set off against any capital gain income.
5. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession
6. Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt under section 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by:

- (i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- (ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.

It is also provided that the investments made on or after April 1, 2007 in the above mentioned bonds is restricted to Rupees Fifty Lacs during any financial year.

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

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

#### **C. General Benefits Available to Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors**

1. By Virtue of Section 10(34) of the Act, income earned by way of divided income from a domestic company referred to in section 115-O of the Act, is exempt from tax in the hands of the recipients.
2. Under Section 10(38) of Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital assets held for the period of twelve months or more) entered into a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
3. Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
4. In terms of Section 88E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax (as computed in prescribed manner) on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions. No deduction under this section shall be allowed in, or after, AY 2009-2010. However, in such a case, the said securities transaction tax would be allowed as deduction in computing the profits & gains from business or profession.
5. Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt under section 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by:

- (i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; or
- (ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.

It is also provided that the investments made on or after April 1, 2007 in the above mentioned bonds is restricted to Rupees Fifty Lacs during any financial year.

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

- 6. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arise from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced
- 7. Under the provisions of section 111A of the Act, capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income-tax).
- 8. Under the provisions of section 115 E of the Act, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under section 10(38) of the Act] be concessionaly taxed at a flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act.
- 9. Under the provisions of section 115F of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising to a non-resident Indian from the shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- 10. Under the provisions of section 115G of the Act, it shall not be necessary for a nonresident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- 11. Under the provisions of section 115H of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of India Origin) has an option to be governed by the provision of Chapter XII A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident."
- 12. Under the provision of section 115I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for

that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply.

#### **D. General Benefits Available to Foreign Institutional Investors (FIIs)**

- By virtue of section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, are exempt from tax in the hands of the institutional investor.
- Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, from Financial Year 2006-2007, the income by way of long- term capital gain of a company shall be taken into account in computing the book profit and income-tax payable under section 115JB of the Act.
- The provisions of section 36(i)(xv) of the Act allow deduction for STT paid, if the taxable securities transactions are taxable as 'Business Income'.
- The income realized by FIIs on sale of shares in the company by way of short term capital gains referred to in Section 111A of the Act would be taxed at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on income tax).

#### **E. Benefits available to Mutual Funds**

The Mutual Funds whose income is exempt under the provisions of section 10(23D) of the Act, would be entitled to exemption in respect of income from investment in the shares of the Company also.

#### **Under The Wealth Tax Act, 1957**

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957 and as such Wealth Tax Act will not be applicable.

#### **Under The Gift Tax Act, 1958**

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

#### **Notes**

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.
2. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax purchase, ownership and disposal of shares.
3. In respect of non-residents and foreign companies, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. In case the non-resident has fiscal domicile in a country with which no Tax Treaty exists, then due relief under Section 91 of the Act may, in given circumstances, be available.





4. Our views expressed herein are based on the facts and assumptions indicated by the Company. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of the Company. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION IV: ABOUT US

### INDUSTRY OVERVIEW

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

### OVERVIEW OF THE FURNITURE MARKET

The furniture industry in India is estimated to be worth Euro 5 Billion. Within this, the wooden furniture accounts for Euro 750 million. Of this the imported furniture market is currently worth Euro 75 million and is growing at 50 - 60% each year. The furniture sector in India only makes a marginal contribution to the GDP, representing about 0.5 per cent of the total GDP. The major part of this industry is in the informal sector that is, about 85%. The remaining 15% is in the formal sector and is made up of manufactures and importers catering to the various segment of the industry.

Some of the major segments in furniture industry are Residential, Office, Contract and Institutional. There are other segments also based on the application (Kitchen, Bathroom, Bedroom, etc.) or on the raw material (wooden, plastic, metal, bamboo, etc). These industry segments includes big payers from the formal sector such as Godrej & Boyce Manufacturing Co. Ltd., BP Ergo, Featherlite, Haworth, Style Spa, Yantra, Renaissance, Millenium Lifestyles, Durian, Kian, Tangent, Furniture Concepts, Furniturewala, Zuari, Truzo, N R Jasani & Company, V3 Engineers, PSL Modular Furniture, etc.

According to one market survey home improvements (38%) and leisure holidays (37%) as the two pursuits Indian consumers are willing to indulge in. Many of the world's leading home fashion brands are available in India through domestic retail outlets.

#### **Sector analysis for residential and contract markets**

The interiors industry is currently riding on the boom of the real estate industry which is the second largest employer in India after agriculture. As the interior industry is wide and mostly unorganized we can analyze through the performance of the real estate industry. Hence we can look at the overview of real estate industry.

80% of the real estate is into residential and remaining is into commercial such as retail, hospitality, industries, IT & ITeS, Banking, SEZ, etc. The growth in commercial properties giving thrust to the contract market for their bulk needs.

#### **Summary about the Industry:**

The entry of international brands and changing consumer preference has led to the emergence of furniture retailing in India. CSIL Milano has classified India as one of the 14 large furniture markets in the world. This is in view of the fact that India has a middle class population of over 400 million, with a purchasing power on the upswing.

- The Indian Furniture market is worth about US\$ 8 billion
- Constitutes 0.5% of the total GDP
- Employs 3,00,000 people
- Highly unorganized- only about 15% in organized sector
- Organized sector growing at 30% CAGR

- Wooden home furniture is the biggest segment
- Key states for wood furniture: Gujarat, Rajasthan, UP, Punjab, Kerala, AP, West Bengal

### Demand factors in the Furniture sector:

#### Real estate / housing boom:

- Housing and real estate construction on a rise gradually after the economic slowdown in late 2008
- Expansion of residential and commercial infrastructure across metros and smaller cities

#### Tourism / hospitality industry growth:

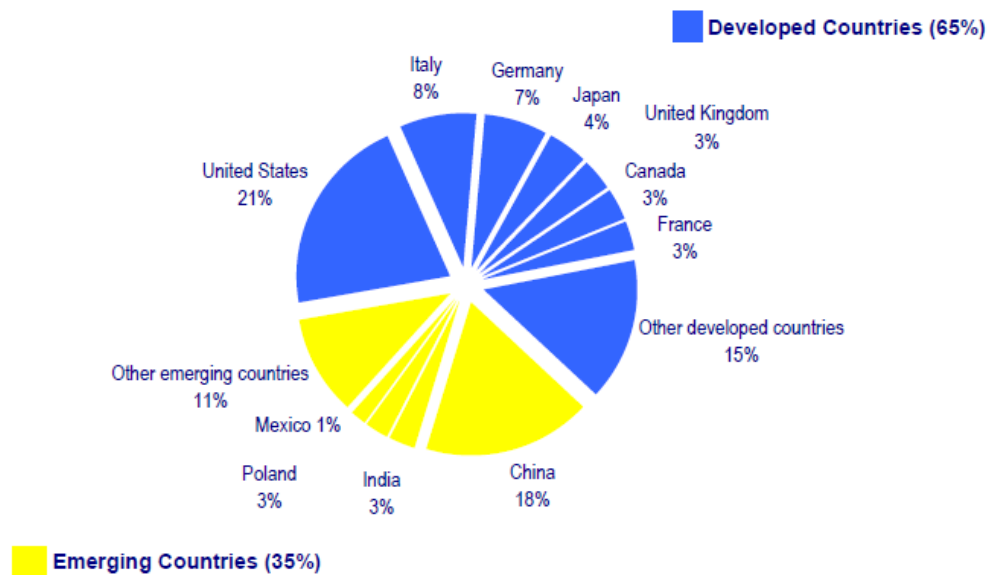
- Increasing tourist inflow
- Demand for hospitality space and infrastructure

#### Consumer demographics:

- Increasing income levels
- Increased consumption of lifestyle products, including furniture

The sector is transitioning from a fragmented industry to a more organized.

### World furniture production



Source: CSIL

### Major Players:

Big giants involved in furniture retailing are Pantloon, Shopper Stop, Trent, RPG, Vishal Retail, Reliance, TATA and Godrej. Others included are Nilkamal, BP Ergo, Featherlite, Haworth, Style Spa, Yantra, Renaissance, Millenium Lifestyle, Durian, Kian, Tangent, Furniture Concepts, Furniturewalla, Zuari, Truzo, V3 Engineers and PSL Modular among others.

(Source: *The furniture market in India Profile 2009, Italian Trade Commission*)



### **Factors influencing the buying Trends**

While upwardly mobile Indians are increasingly buying differently styled foreign furniture, they need to guard against poor stuff. Interior design for homes is no longer the preserve of the rich and wealthy. The concept of good living is catching up with the middle class Indians. They do not mind spending an extra buck in decorating their new homes. This has resulted in a boom in the décor market. Imported and designer seem to be the key words when it comes to buying furniture at home. It's hardly surprising, considering that more and more foreign furniture manufacturers and traders have been finding their way into the country of late.

- While decorating a NEW residence:

Buying Decision is left to a Builder/Architect/Interior Decorator or the owner.

- While RENOVATING a Residence:

Buying Decision is made by an Interior Designer or by the owner.

- While furnishing a commercial complex:

### **Buying Decision is made by the Builder/Architect/Interior Designer.**

The major reason that has propelled the growth of the imported furniture market is the exposure that the Indian people have received thanks to globalization. The media too has played a very vital role in exposing the people to good living.

Exposure coupled with easy availability of funds have made more and more urban middle class couples to look for interior decorators while doing up their houses.

In conclusion, it is important to target:

- Architects
- Builders
- Interior Designers
- Participation in Furniture / Interiors Trade Fairs for good exposure

### **Tariffs and Import Policy**

In recognition of the significance of the continued supply of imported logs to its wood-processing industry and following court-ordered restrictions on domestic logging in 1994-95, the Government of India began liberalizing wood product imports in 1995.

Since then, there has been a gradual decrease in import duties on wood and wood products. For example, until 1995, logs were the only wood product item freely-importable to India with a duty of 15%. Imports of other wood products were only against advanced licenses or special import licenses. Since 1996, import licensing requirements (quantitative restrictions) have been progressively removed on round wood, sawn lumber and several value-added products. By April 2000, there were no quantitative restrictions on any import tariff line in the entire forestry sector, with the sole exception of newsprint.

Today, the situation is that logs are subject to a duty of around 5%, while the ad valorem duty payable on lumber is 20% and the duty on veneer and wood-based panels is 40%. The duties were reduced in February/March 2004 and further cuts are planned, as part of an on-going commitment to WTO. However, market commentators suggest that the duties on lumber and veneer will never be dropped completely and may even rest at around 15% for the long-term.

For furniture the Indian government continues to reduce tariff rates from a peak rate

(Source : Web: [www.indiainitaly.com](http://www.indiainitaly.com) )

## **MODULAR KITCHEN INDUSTRY**

### **OVERVIEW**

Modular Kitchen in India has created a revolution for all the homemakers. Kitchen is that special place in every home meant to explore culinary passions and especially in India, everything related to Food is

revered. In India, where food is assigned divine properties, Kitchen is more than a place to cook, Kitchens in India are considered Altars. As Home Decor and Home Interiors are gaining importance, we find new concepts in Kitchen Decor making waves. One such modern concept of Modular Kitchen is gaining immense popularity in India.

Modular Kitchens are based on functional practicality and the onset of Modular Kitchen in the furniture market of India have spelt a consciousness that even kitchens can have a style statement and at the same time be comfortable and elegant.

**(Source: [www.indiahousing.com/modular-kitchen-india.html](http://www.indiahousing.com/modular-kitchen-india.html))**

According to Industry experts, the modular kitchens segment stands at around ₹ 1500 Crores, with Indian readymade kitchens currently sold at the rate of 10,000 units per month in the country. The increasing number of nuclear families, rising disposable incomes, affordability, and easy budget, will drive awareness levels and demand for modular kitchens, which is already growing at the rate of 40% per annum. Modular kitchens in India is expected to grow 10 times in the next three to four years.

**(Source: [www.financialexpress.com/news/cos-want-bite-of-modular-kitchen-mart](http://www.financialexpress.com/news/cos-want-bite-of-modular-kitchen-mart))**

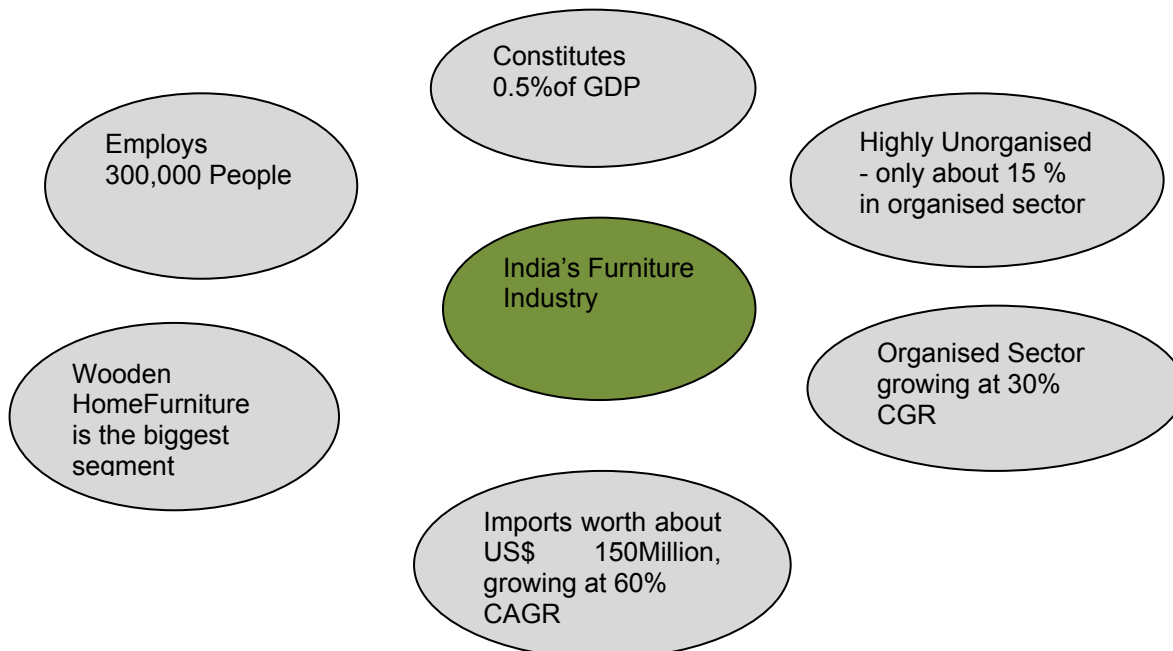
## Modular Kitchen Designs

Modular kitchen have been appreciated owing to its compact design that optimizes the available space.

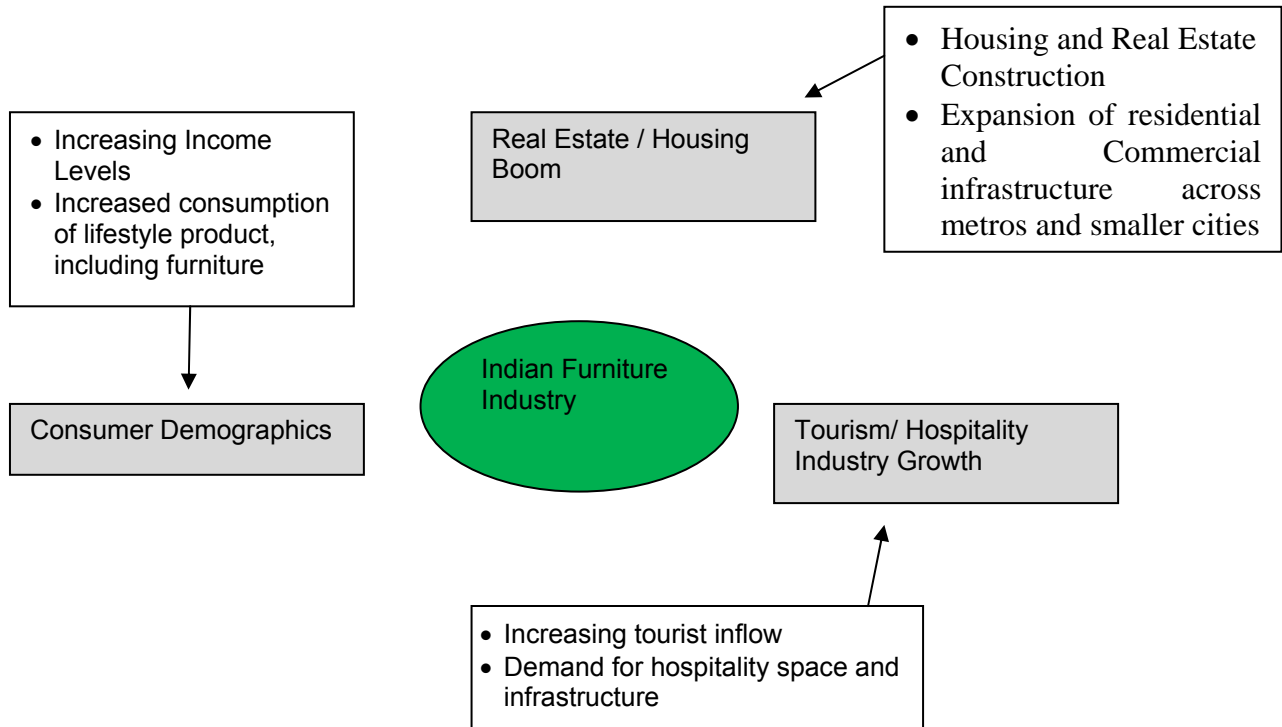
Therefore, in case of paucity of space, which is very common in India, Modular Kitchens have come as a real boom. In India, Modular Kitchens are available in a ready-to-install pre-fabricated format to fit easily in the existing structures. The best part is that Modular Kitchens are available in any various colors and patterns. Once you are sure of the color and the size, all one has to do is place an order and the Modular Kitchen is ready to be installed. Considering the Indian mindset, Modular Kitchens have a good role to perform. In case of oil or turmeric stains, the material by which Modular Kitchens are made can be cleaned easily. Secondly, the material is durable so there is absolutely no worry of it being damaged. Though the concept of Modular Kitchen is not Indian, we find Modular Kitchens, Modular Kitchen Cabinets in Indian market that suit Indian household conditions.

**(Source: [www.indiahousing.com/modular-kitchen-india.html](http://www.indiahousing.com/modular-kitchen-india.html))**

## The Indian Furniture Market is worth about US \$ 8 Billion



(Source: [www.rediff.com](http://www.rediff.com); [www.destinationmadhyapradesh.com](http://www.destinationmadhyapradesh.com));  
**Indo –Italian Chambers of Commerce & Industry**  
**Several Factors are driving demand in the furniture sector**



Modular kitchen market in India is still at a nascent stage but has tremendous growth potential. It is largely unorganized with the presence of local and small players. Products in this market are largely focussed towards establishments in urban India.

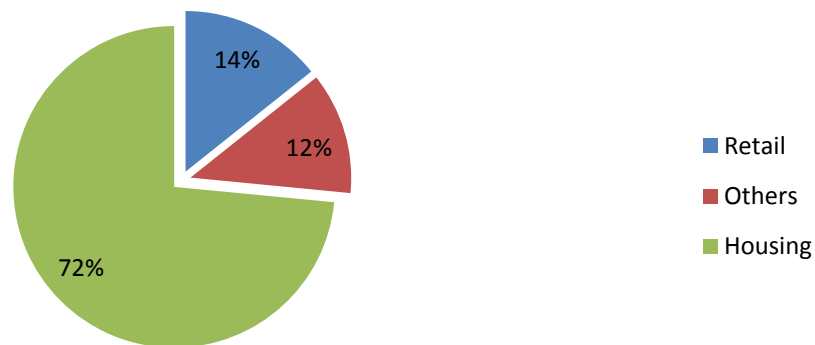
Modular kitchen market in India is at a nascent stage with strong growth prospects

## **Overview**

- Modular kitchen market in India is still at a nascent stage but has tremendous growth potential
  - \_ Market has been witnessing a growth rate of 50% YoY
- It is largely unorganized with the presence of local and small players
  - \_ Unorganized market includes carpenters making selfdesigned kitchens based upon the requirements of the households
- Modular kitchens are customized based on the requirements of the consumer
  - \_ Based on the need of the consumer, it can be set up with various accessories like chimney, burner etc.
- Modular kitchen accounts for 40% of the furniture and fittings industry
- Products in this market are largely focused towards establishments in urban India

## Growth in housing projects

- Demand for home décor and home furnishings is rising with the growth in housing projects
- Realty in India is a booming sector with immense growth prospects due to the increasing number of housing projects
- Real estate market is expected to grow at a CAGR of 33% between 2005 and 2010 and is estimated to be worth INR 2,350 bn
- Residential houses are built and designed in a fashion that it has provision for a modular kitchen
- In fact, in order to cater to the growing demand for modular kitchens, realty developers construct and design flats which are well equipped with modular kitchens



## Break-up of Realty Market

### Growth in organized retail

- Organized retail currently accounts for 4% of the total retail sector in India which is expected to rise to 30% by 2013
- Over 100 malls of over 30 mn sq. ft. is expected to be developed between 2009 and end of 2010
- The size of organized retail will rise from USD 4 bn in 2009 to USD 22 bn by 2010. The organized home interior market is also growing at 15-20% p.a. It has a market size of INR 9 bn



- Modular kitchens are customized based on the requirements of the consumer

## **Demand for modular kitchens is rising with change in the lifestyle of consumers**

### Changing demographic structure and need for customized kitchens

- Kitchen is a key division of a flat. Modular kitchens are custom made and can be assembled at the customer's home. Vacant places can be used more effectively. Designs of racks and cabinets can be changed as per convenience since these parts can be easily dismantled.

\_ Accessories and hardware like chimney, gas oven, sink, dishwasher can be added based on the requirement of the consumers.

- Growing number of consumers are now focusing on the interior designs of their houses.
- Due to the rise in nuclear families, flats are becoming smaller in size. The space for home décor is limited and it is hence essential that it is done in an organized fashion.
- Depleting land resources coupled with increasing requirements of growing population and migrants have led the builders to keep the size of a functional kitchen to the minimum.

\_ Owing to its compact design, modular kitchens provide effective space management solutions

- Furthermore, in case homeowners shift to other locations the modules can be easily dismantled and transported to another place

## **Players are faced with the challenge of high price and low Affordability**

### High prices of branded modular kitchens

- Branded modular kitchens are sold at very high price. Price ranges between INR 75,000 – INR 0.6 mn. Infact, the prices can go up to INR 3 mn depending on the customer's requirements and the brand

- There is a large population of low income and middle income group in India who cannot afford to spend this amount on home décor
- Organized players have to spend on branding, realty, skilled labour, good quality of raw material, after sales service in order to maintain the goodwill of the brand. These expenses make the finished product, i.e. modular kitchens, very high priced

\_ High price of the branded modular kitchens provide opportunity to the unorganized market, that includes carpenters

\_ 70% of the market is unorganized

\_ The base product used for making a modular kitchen is generally wood and various classifications of wood like plywood, fibrewood, medium density fibre. Inferior qualities of these are bought at cheaper prices by the smaller players or carpenters who can hence afford to sell the product at a much lower price

\_ Also the unorganized players do not have to spend on branding and infrastructure

- Quality differences across finished products manufactured by branded and unbranded players does exist however, the price differential being extremely high, consumers often opt for the cheaper option

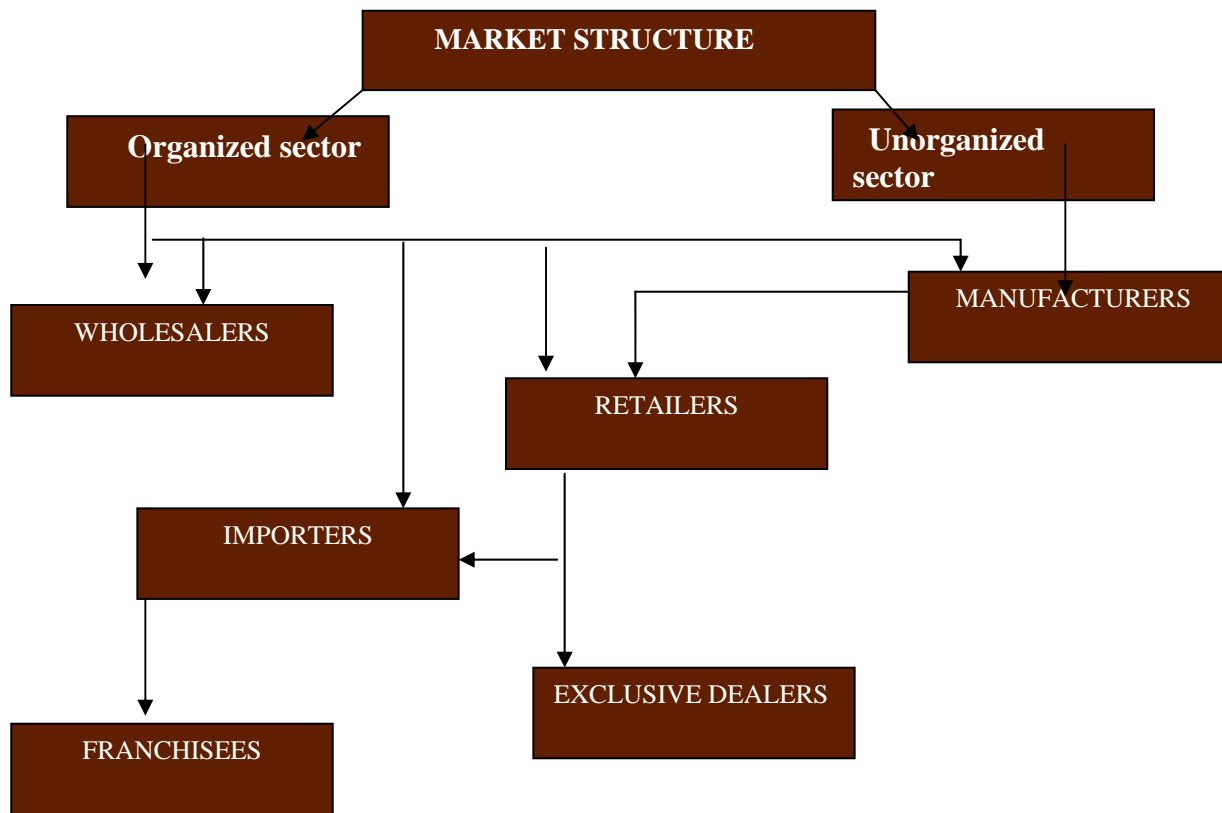


- High pricing with cheaper alternatives in a price sensitive market is a major barrier for players in the market

### Distribution Channels in India

There is a very high consumption in the western and the northern markets of India, viz, Mumbai and New Delhi, New Delhi being the leader.

### Market Structure of Industry



**Players do not have an opportunity in the rural areas while very low demand is generated from replacement**

#### Low replacement demand

- Very few people living in houses with regular kitchen opt for renovating their kitchen with modular look
- So the demand for modular kitchen is primarily coming from new housing projects and replacement demand is low but slowly picking up.

\_ The new and upcoming residential projects are generally equipped with modular kitchens or are designed to accommodate a modular kitchen



## Foreign players are opening stores in India to capitalize on the growth opportunities

### Entry of international players

Modular Kitchen market in India, being a growing segment, has witnessed the entry of increasing number of foreign players

- The concept of modular kitchen is relatively old in foreign countries. Foreign players have a better understanding of the market which allows them to establish their business
- Entry of international players serves well for the domestic players as they receive more exposure from the know-how gained by international players over the years

## Players are forming joint ventures and collaborations

- Companies engaged in the modular kitchen segment are setting up joint ventures with international players who are engaged in the similar line of business
- Domestic players benefit from the technological expertise which the international players provide
- International players are entering the market through tie-ups with domestic firms for the distribution of their products
- Domestic players are also importing high end models from international companies

Players	Description
H&R Johnson (India) Ltd.	<ul style="list-style-type: none"> <li>• Leading tile maker in India, has entered the modular kitchen segment</li> <li>• Entered into exclusive tie-ups with European companies in order to source premium range of modular kitchens</li> </ul>
Concept Wood and Metal Industries	<ul style="list-style-type: none"> <li>• This Coimbatore-based entity introduced in Kerala a range of metallic furniture in wood finish. The products included metallic modular kitchens</li> <li>• It is manufacturing the products with the support of the technology provided by Italy based Decoral System</li> </ul>
Ewe	<ul style="list-style-type: none"> <li>• Austrian modular kitchen maker has entered into an exclusive tie-up with India based Orchid Designs for the distribution of its products in India</li> </ul>

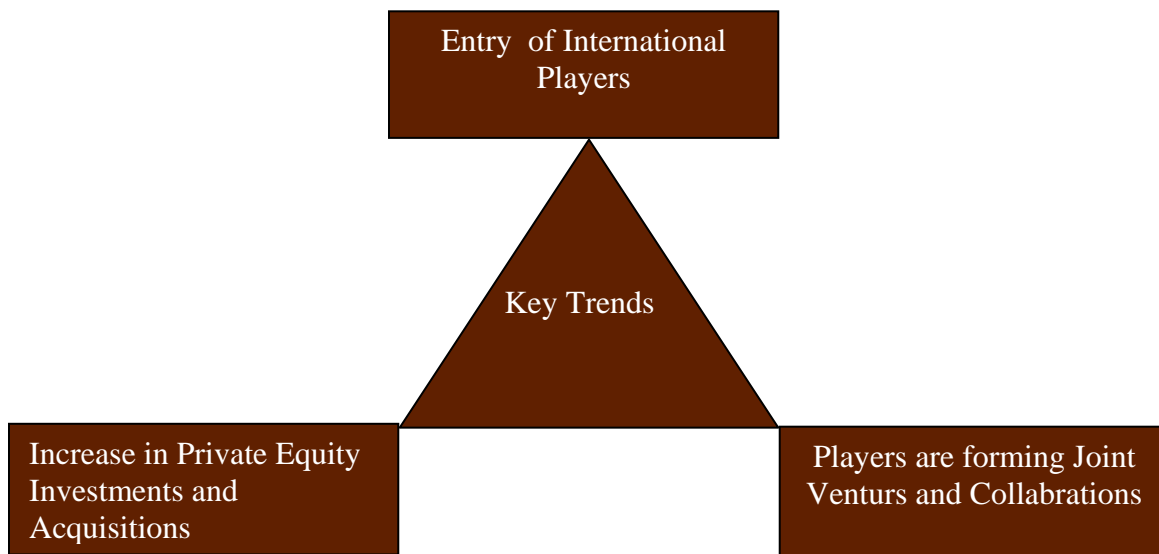
### Increase in private equity investments and acquisitions

The modular kitchen segment in India has witnessed major activity in the private equity investment space

- Private equity companies are investing in the modular kitchen business to capitalize on the high growth opportunities

Retail Chains	Business Highlights
Hindware Home Retail	<ul style="list-style-type: none"> <li>• Evok is the home interior retail chain of Hindware Home Retail Pvt. Ltd.</li> <li>• Evok plans to open 20-25 specialty stores and 50 large format stores across India by 2015 with a total investment of INR 2 bn</li> </ul>

Pantaloon Retail	<ul style="list-style-type: none"> <li>• Operates the retail chain Home Town</li> <li>• It entered agreement with Italy's ARAN Cucine for the DENOVO range of exclusive Italian kitchens in HomeTown stores</li> </ul>
Shopper's Stop	<ul style="list-style-type: none"> <li>• Operates Homestop, a home décor store with modular kitchens</li> <li>• Homestop stores brands like Magpie</li> </ul>
Spencer Retail	<ul style="list-style-type: none"> <li>• It is a business venture of RPG Enterprise which showcases various home décor including kitchen appliances, modular kitchen</li> </ul>



- Furthermore, international players are acquiring stakes in domestic companies which are engaged in this line of business
- While private equity players are investing in this segment to capitalize on the profits of this growing business, international players are acquiring stakes in Indian companies as a route to enter the domestic market



## BUSINESS OVERVIEW

Our Company was incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Provisions of the Companies Act, 1956. The Name of our Company was subsequently changed to IKI Timbor Private Limited on February 8, 2005. The name of our company was further changed to Timbor Home Private Limited with effect from May 22, 2007 and subsequently converted into Public Limited Company on June 13, 2009 vide a Fresh Certificate of Incorporation on becoming a Public Limited Company.

The Company has three manufacturing units one located at Changodar, In Ahmedabad District, the second unit at Vatva GIDC, Ahmedabad, and the third at Umreth, in Anand district. The total manufacturing facility of the company amounts to 2,00,000 Sq feet. The kitchen & furniture manufacturing is based at the Changodar unit, the Stainless Steel Kitchen baskets and accessories is manufactured at the Vatva Unit while manufacturing of doors, wood treatments and storage is based at Umreth. The company now manufactures kitchen- kitchen components, furniture, door- door frames and Kitchen baskets and accessories. The Company operates as a manufacturer-retailer having a Pan-India presence with more than 80 exclusive stores of kitchen, door and furniture retail outlets operating on Franchise Model.

Our company markets its products under the brand names Timbor Cucine- Modular Kitchens, Timbor Doors- Doors & Door Frames, Timbor Home- Home Furniture, and IKI Kitchens- Hi-end kitchen solutions using 'Hettich' Hardware and accessories.

Our Products includes the following:

1. Modular Kitchens
2. Home Furniture
3. Doors
4. Treated and Kiln Dried Lumber

### 1. Modular Kitchens

#### **Brand: Timbor Cucine**

Our Company is one of the largest retailer and manufacturer of Modular Kitchens in India. Our modular kitchens are durable, affordable yet trendy. Our Modular kitchens under the brand name TIMBOR CUCINE range starts from as low a ₹ 25000, as a result even common people can now afford Modular kitchens. We have designed our own software which helps the customer to have a look on his/her kitchen before he orders for the same. The software is shared with all the exclusive stores and the company trains all for the use of the software. It is completely customized product for the customer, the cost, the material, hardware, cabinetry all can be chose by the customer. Kitchen design in fact is done by the customer himself. They can pick and choose from the various options available for them in the material, hardware, cabinetry as per their requirements.

#### **Brand: IKI Kitchens**

Our Company has introduced a new concept and trend giving kitchen a great look through Hi-end modular kitchens with customized solutions, world class cabinetry, shutters, storage and hardware along with Red Dot award winning fittings which are made available to Indian consumers solely using Hettich hardware and accessories. Hitech Kitchens bring in international concepts to Indian households. They are state-of-art products which are targeted to hi-end markets.

#### **Manufacturing Process of Modular Kitchens**

#### **Manufacturing Unit: Changodhar, Ahmedabad District -----Unit 1**

The main raw material for manufacturing Modular Kitchens are wood, plywood, laminates, veneers, wire baskets, hardware, glue and lacquer.

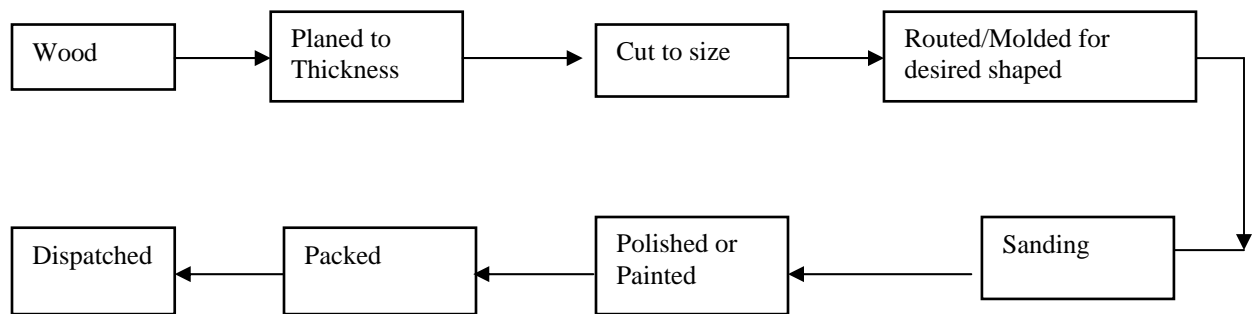


The wood is cut and planed to the desired thickness and size. The plywood, laminate and veneer are cut to the desired sizes. The wood is then routed, molded to the desired shape and the laminate, veneer is pasted on plywood or wood as per the design. The panels are then sanded, assembled, polished and packed for dispatched.

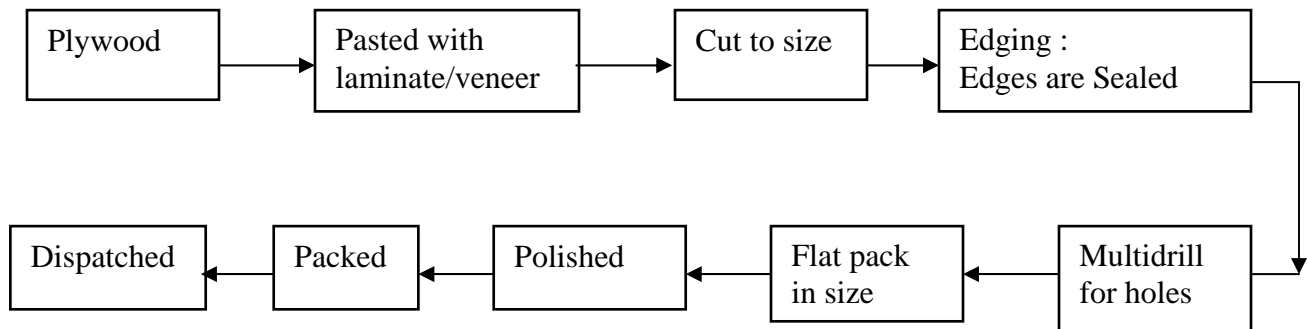
The cabinets are made out of plywood, laminate and veneer. The laminate or veneer are pasted onto the plywood, by adhesive and then cut as per sizes. The cut panels are edged with PVC foil and then holes are drilled for screws and bolts. The panels are stacked as per cabinet size and packed for dispatch.

The wire baskets and hardware like hinges, slides, channels are packed as per order and dispatched.

(A)



(B)



**Changodar Unit:**

*Details of Machineries Installed:*

S. No	Name of the Machinery	Party Name	Quantity (Number)
1	PANEL SAW	Textile Machinery Fabricators	2
2	MEMBREN PRESS	Textile Machinery Fabricators	1
3	SANDER 18 VA HITACHI MADE	New Power Sales & Service	1
4	CNC ROUTER	Felder UK Ltd.	1
5	BEAN SAW(FORMAT 4 KAPPA	Felder UK Ltd.	1

	A3200)		
6	CNC GANNOMAT PROTECTOR	Felder UK Ltd.	1
7	WREPPING LINE	Felder UK Ltd.	1
8	EDGE BENDING (ITALY MADE)	Biesse Asia Pte Ltd.	1
9	ROLLER PRESS	Jai Industries	1
10	POST FORMING LINE	Jai Industries	1
11	BELT SENDER	Azad Industries	1
12	CHAIN MORTISER WITH 2 HP MOTOR TENONING MACHINE (ITLAY MADE)	Ramu machinery Pvt. Ltd.	1
13	PALNER	Woodtech Machinery Pvt. Ltd.	2
14	Profile Wrapping Machine	Guangzhou Panyu Jian Ye imp. And Trading Co. Ltd.	1
16	MOULDER	Textile Machinery Fabricators	2
17	UP CUT WORK STATION MACHINE	Tiger Stop LLC	1
18	MILLING	Felder UK Ltd	1
19	RAMU MACHINERY PVT. LTD.	Cross Cut Saw	1
20	Oscillating Spraying Machine	Sorbini s.r.l.	1
21	Formate-4 widebeltsander GIANT with fittings	Felder KG	1

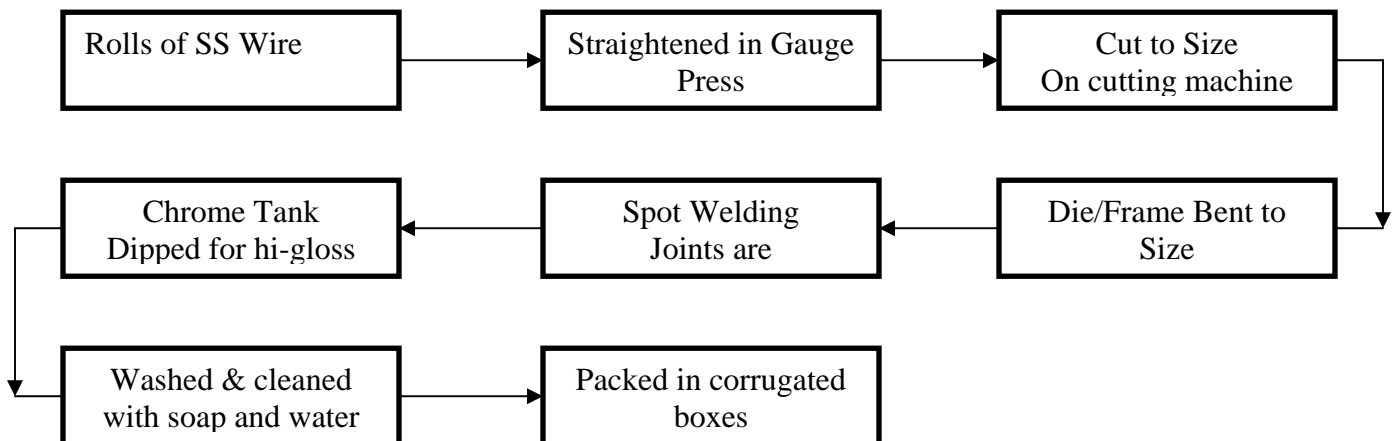
**Manufacturing of stainless steel wire accessories for Modular Kitchens**  
**Manufacturing Unit: Vatva Unit, Vatva GIDC, Ahmedabad -----Unit 3**

Manufacturing Process of SS wire accessories of Modular Kitchens:

The main raw material for manufacturing SS wire accessories and baskets are SS Wire Rods and Chemicals like Chrome and Nickel. The wire rods are procured from steel rolling mills in roll form. The same is straightened and cut to equal lengths.

The lengths are bent and spot welded in the die for each size of the wire basket. The baskets are washed and dipped in chrome tank with electric charge for hi-gloss chrome coating. The dipped baskets are removed from the tank and washed with soap and water and dried and packed in corrugated boxes for dispatch.

(A)





## Vatva Unit :

### *Details of Machineries Installed:*

S. No	Name of the Machinery	Party Name	Quantity (Number)
1	BUTT WELDING	Eternal	1
2	SPOT WELDING	Eternal	4
3	TIG WELDING	Eternal	1
4	HAND PRESS	Eternal	2
5	BUFFING MACHINE	Eternal	2
6	ROD POLISHING MACHINE	Eternal	1
7	BENCH GRINDER	Eternal	2
8	CIRCLE MAKING AND BENDING MACHINE(AKRON245)	Eternal	11
9	DIES	Eternal	10
10	JIGS AND FIXTURE	Eternal	3
11	RECTIFIER 500 AMP AND 1200 AMP	Eternal	3
12	ELECTROPLATING CHEMICAL TANK	Sintex	6

## **2. Home Furniture:**

Entire Home Furniture Requirements made available to the consumer under the same roof in Solid Teak Wood. Wide range of furniture including sofa's, centre tables, side tables, TV units, chairs, bath vanities, beds, wardrobes, bedside units, dressers, bar units, dining tables, dining chairs, kids bedroom units etc are included under the Home Furniture section. All the ranges have wide options made available to customer in terms of designs, colors, fabric, dimensions, capacity etc. Our Company can do all this for the customer due to our in-house manufacturing facilities. Our Home Furniture Range is marketed under the brand "Timbor Home". Our Company also does customization in terms of size and individual requirements and preferences in wardrobes, which isn't made available by other players. Our manufacturing capacity at helps us in customization at no extra cost for the customer. All our products are designed and made in-house.

## **3. Doors**

Our Company have set-up a new facility at Umreth for manufacturing doors and all this is offered with customization in terms of size and thickness for the customers. The Doors also come under wide range of designs and types we also manufacture ecofriendly doors with Sinewave/Honeycomb Core. Even Door Frames customized for the Customers are available in Solid Wood. They are pre-finished with primer and polish coats.

Manufacturing Process of Home furniture and Doors  
Manufacturing Unit: Umreth, Anand District -----Unit 2

Products manufactured: Door, door joinery and home furniture like bed, dining set, chairs, sofas, tables & wardrobes

### Manufacturing process of Home Furniture

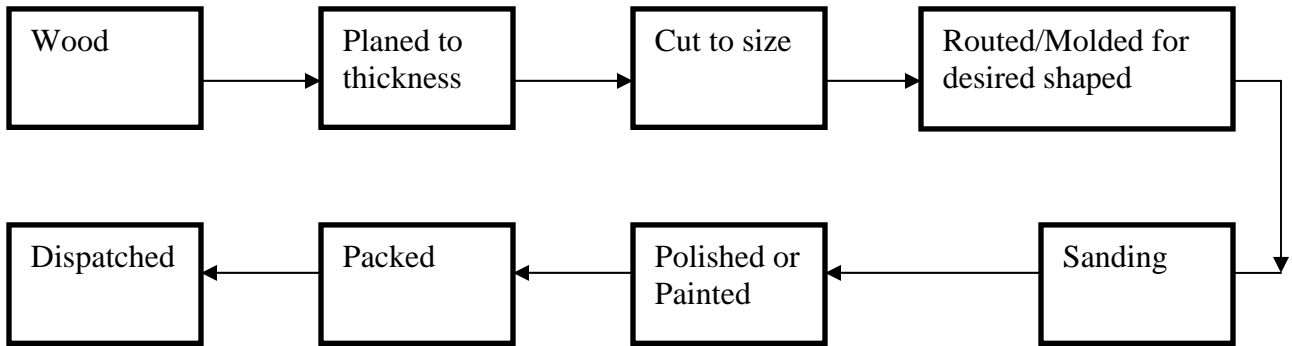
The main raw material for home furniture is wood, veneer, laminate, plywood, glue and lacquer. The wood is cut and planed to the desired thickness and size. The plywood is pasted with laminate and veneer and are cut to desired sizes.



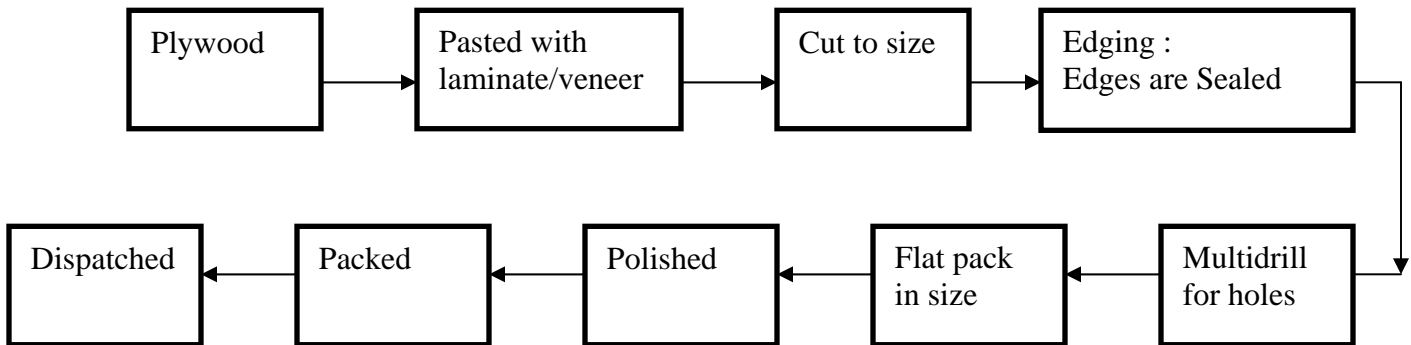
The wood panels are routed/molded to the desired shape and design. The panels of wood and plywood are then assembled together thru nailing or joinery.

The panels are then sanded, polished or painted and packed for dispatch.

(A)

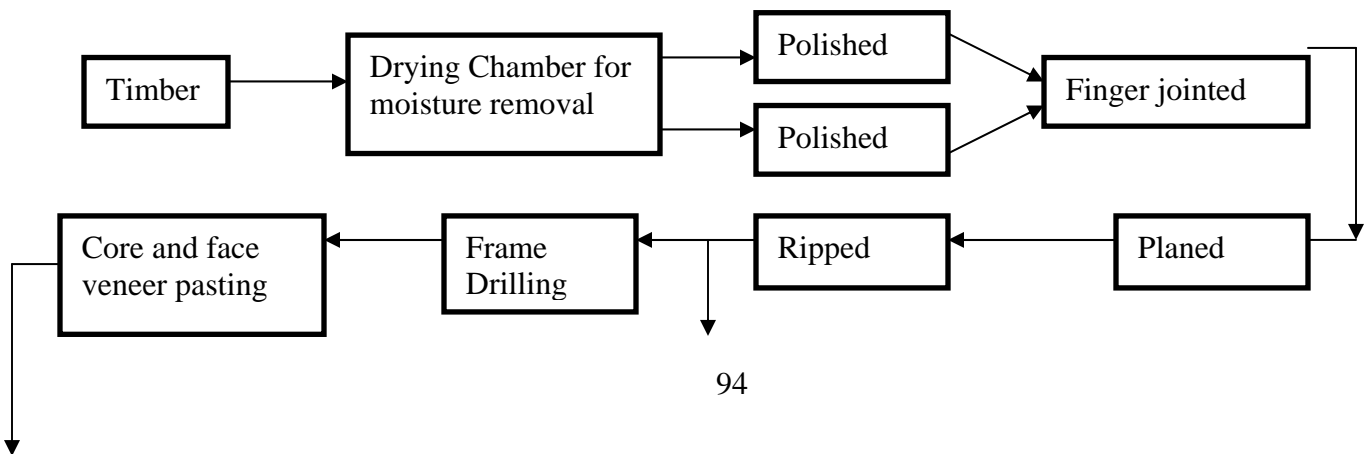


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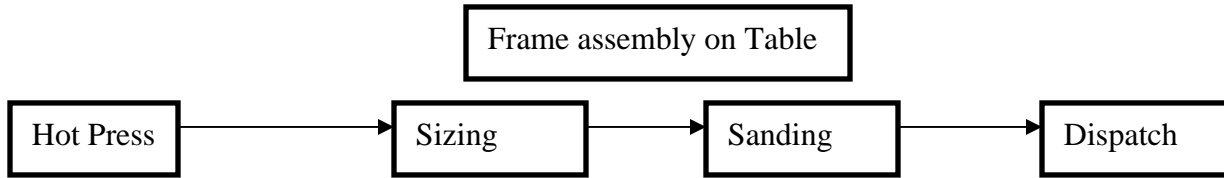


The manufacturing process of Doors:

The main raw material for door manufacturing is wood, core veneer, face veneer and resin. The wood procured is dried in drying chambers and then planed and cut to desired sizes. The cut pieces are finger jointed together to get long length. The small pieces are ripped into smaller pieces by the ripping machines. The door frame is made on a table and small pieces are filled in the frame structure. The panels are then pasted with core and face veneer in the hot press, the pressed panels are cooled and cut and sanded to desired sizes.







**Umreth Unit:**

*Details of Machineries Installed:*

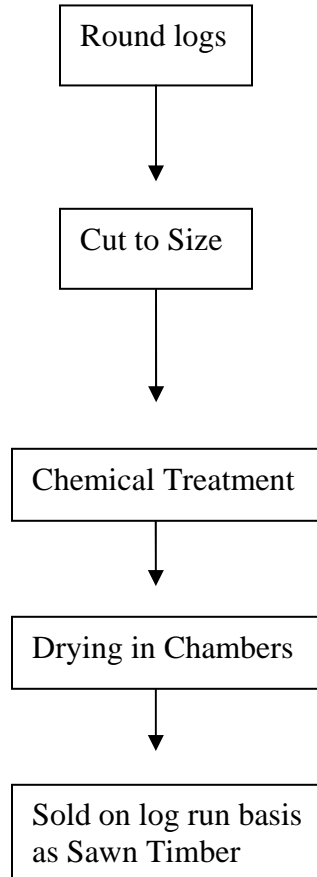
S. No	Name of the Machinery	Party Name	Quantity
3	HOT PRESS	Signor Hydraulic & Vinod Fabricators	2
4	RIB SAW	Lami sales Corporation	2
5	FINGER JOINT	Eternal	3
6	DOOR PANEL & SHUTTER SANDER	Powerbase Worldwide Corporation	1
7	D/D SAW	Lami sales Corporation	1
8	BELT SANDER	Azad Industries	1
9	GLUE SPREADER	Textile Machinery Fabricators	2
10	BOILER WITH CHIMNEY	Vinod Fabricators	1
11	CUTTER	Neha Machine Tools	2
12	PANEL SAW WITH DUST COLLECTOR	Textile Machinery Fabricators	2
13	CHAIN MORTISER WITH 2 HP MOTOR TENONING MACHINE	Ramu Machinery Pvt. Ltd.	2
15	FOURSIDE PALNER	Woodtech Machinery Pvt. Ltd.	1
16	PLANER	Shree Saraswati Engineering Works	2
17	MODULAR	Textile Machinery Fabricators	3
19	MEMBREN BRUM	Textile Machinery Fabricators	1
22	DRYER	Eternal	1
27	COMPRESSER	Firdos & S. Cambatta & Co.	2

**Location/ Network**

Our Company has relationships with dealers and distributors across the India. Our Company is headquartered at Ahmedabad and has presence in major locations like Mumbai, Delhi, Bangalore etc. apart from having a pan India presence across more than 17 states. Our company has entered franchise agreements for providing end to end solution to its clients.

**4. Treated and Kiln Dried Lumber:**

The company has a large timber drying and chemical treatment facility. The company converts logs of soft and hardwood into kiln dried sawn timber to be used in the construction and joinery industry. The products of the company are sold to traders and actual users.

**FLOW CHART KILN DRIED TIMBER****Process for Tried and Kiln Dried Timber :**

Timber's Umreth Factory has and Seasoning Chambers of 500 CFT (Cubic Feet) capacity each.

Timber also has vacuum Pressure Impregnation Plant to treat the Timber with various wood presenting Chemicals.

Timber buys Logs, get them cut to sizes and dries them for 12 to 48 hours to remove the excess moisture from timbers making it more stable for use.

This is then sold as Swan Timbers to various parties and traders on Log run basis (The Party is Billed for 100% of Log quantity)

**Our Competitive Strengths**

The company believes that the following are the principal competitive strengths which differentiate the company from other modular kitchen and door manufacturing companies.

*The company has experienced promoters:*



The promoters of the company have past experience and are well versed in the building material and timber industry since the last 15 years

*The company has wide network of EXCLUSIVE BRAND OUTLETS:*

The company is a manufacturer retailer in the modular kitchen industry and currently has more than 80 exclusive 'Timbor Cucine' stores in more than 17 states selling only the companies products. For the doors and furniture the company is planning to open exclusive stores across India. Furthermore as the company manufactures and supplies fully finished products it is in direct touch with the end buyer and consumer.

*The company is an integrated low-cost producer:*

The company manufactures almost 75% of the components that go into making a modular kitchen, the major strengths includes raw material sourcing to finishing. The company employs extensive logistics and supply chain management systems to maintain maximum flexibility, which enables the company to meet their needs in an efficient manner without relying on any one vendor, factory or country.

*The company follows an Established raw material policy:*

The company procures its raw material directly from licensed saw mills, reputed manufacturers, importers and suppliers which helps the company to establish an efficient supply chain at competitive prices and ensures timely delivery. The management of the company places significant emphasis on the sourcing and logistics of raw material. The company is able to source key raw materials close to the factories resulting in reduction of transportation costs. The company has also implemented ERP which helps in raw material planning.

*The company's business model is scaleable and unique:*

The company has a very unique business model for creating a nation wide franchisee network. The investment and the space requirement burden are *small* and *one time* and are passed on to the business partner. This model will help the company to even look at rural markets.

*Unique brand positioning:*

The company believes in providing the customers value for their money and have positioned the kitchens at an affordable price with a focus on the middle income segment. The company believes that there is an untapped market in the middle income segment which is both brand conscious and aspirational in nature. The company feels it is targeting one of the fastest growing segments, having an increasing level of disposable income.

*Experience and Technical know-how:*

The Company has acquired machinery from European and Indian Suppliers and they have also provided technique and joinery details. The Felder Group originally Austria based having address at: MASCHIGKREUZERFELD 18 A 06060 HALL TIROL, AUSTRIA has supplied Machinery worth ₹ 112.71 Lacs for the purpose of sizing, cutting, drilling and formatting the wood by computerized software with European Technology.

**New Products and Business Launched by the Company:**

**Timbor Cook Care:**

The Company has recently imported from USA Vacumatic Healthy Cooking Systems like sauce, pan, skillet, food cutter, griddle etc. The Company is evaluating different business model to sell the product viz. though its existing kitchen network, new franchises or the direct marketing model.

**IKI- Intelligent Kitchen Design Institute:**

The Company has recently started a kitchen design institute at its registered office. This institute is the first of its kind in the country and the company plans to grow this business in other major cities through the franchises route.



### **Green Initiative:**

The company has undertaken a Green initiative by growing fast growing hard wood species. The initiative is undertaken on leased land and the company has installed a drip irrigation system for the same. On maturity of the trees they shall be used for captive consumption by the company.

### **Approval of application for setting up Wood Based Industries:**

The company's application to the Central Empowered Committee, New Delhi for setting up of Wood Based Industries in the Special Imported Timber Conversion Zone, has been approved. The said approval is for installing 2 (Two) Hot press and 2 (Two) 8' feet Peeling unit. The company has to furnish the details towards setting up the unit before February 8, 2011 or can apply for extension.

### **Quality Control**

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

Our Company has been awarded with ISO 9001:2000 for Quality Assured and ISO 14001:2004 for Environmental System and FSC for green initiative for all the units.

### **Technology**

Technology plays vital role in this Kitchen and Furniture Industry. Manufacturing of a quality product depends on high quality state of the art machines and advance technology. Present technologies that the Company is using are proven one with satisfactory performance. We provide end to end solutions taking into all aspects and using right equipment needed for every assignment.

### **Utilities & Infrastructure Facilities**

Our registered office is located at Ahmedabad and we have four (4) branches across India. Our offices are equipped with computer systems, server, relevant software and other communication equipments, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### **Raw Material**

The basic raw materials required are sawn timber, plywood, laminate, hardware, veneers, lacquers and adhesive. The main raw material timber is procured from licensed sawmills in Gujarat and from Importer based at Gandhidham. Laminates and veneers are procured from factories near Ahmedabad, and lacquers, adhesive and hardware are procured from European companies through their offices and agents in Bombay.

### **Power**

**a) Unit – I 7, Shubhlaxmi Industrial Estate, Sarkhej – Bavala Highway, Changodar, Ahmedabad - 382213, Gujarat**

Our Company having connected load of power supply of 55 KVA. The main supplier of the power is Uttar Gujarat Vij Company Limited which is continuously available without any interruption. Our Company has not proposed any DG set as stand-by arrangement.



**b) Unit – II Plot No. 401,402 GIDC Industrial Estate, Umreth, District: Anand - 388220, Gujarat**

Our Company having connected load of power supply of 200 KVA. The main supplier of the power is Madhya Gujarat Vij Company Limited which is continuously available without any interruption. Our Company has not proposed any DG set as stand-by arrangement for the manufacturing facility.

**c) Unit-III Shed No. A/18 & 19, 20 & 21 Ground Floor, Mahalaxmi Industrial Estate, Near Chokshi Tube,  
GIDC Phase -1, Vatva, Ahmedabad – 382445, Gujarat**

Our Company having connected load of power supply of 20 KVA. The main supplier of the power Torrent Power Limited which is continuously available without any interruption. Our Company has not proposed any DG set as stand-by arrangement.

**Water**

**a) Unit – I 7, Shubhlaxmi Industrial Estate, Sarkhej – Bavala Highway, Changodar, Ahmedabad – 382213, Gujarat**

The water requirement is there only for normal human consumption and is easily available. The site is having its own bore. Our Company has taken additional connection from Changodar Users Association for additional requirement.

**b) Unit – II Plot No. 401,402 GIDC Industrial Estate, Umreth, District: Anand – 388220, Gujarat**

The water requirement is there only for normal human consumption and is easily available. The site is having its own bore well. Our Company has applied for GIDC water supply for additional requirement.

**c) Unit-III Shed No. A/18 & 19, 20 & 21 Ground Floor, Mahalaxmi Industrial Estate, Near Chokshi Tube,  
GIDC Phase -1, Vatva, Ahmedabad – 382445, Gujarat**

The water requirement is there only for normal human consumption and washing and it is easily available through GIDC.

**Pollution**

**a) Unit – I 7, Shubhlaxmi Industrial Estate, Sarkhej – Bavala Highway, Changodar, Ahmedabad – 382213, Gujarat**

Our Company need not require consent of Gujarat Pollution Control Board (GPCB) as most of our manufacturing facilities are at Umreth plant. Our Products are Ecofriendly which does not create any pollution. Hence no Pollution Control Certificate is required.

**b) Unit – II Plot No. 401,402 GIDC Industrial Estate, Umreth, District: Anand – 388220, Gujarat**

Our Company need not require consent of Gujarat Pollution Control Board (GPCB) for its effluent treatment in respect of its existing manufacturing facilities. As the manufacturing of Kitchen and Furniture products does not create any pollution as this being eco friendly products. Hence no pollution consent is required. Still our Company has taken its consent letter no. GPCB/ CC/ KH- 407/22316/30301 from Gujarat Pollution Control Board under section - 24 of the water (Prevention and Control of Pollution) Act – 1974, under Section – 21 of the Air (Prevention and Control of Pollution) Act -1981 and Authorization under rule 3(c) & 5(4) of the Hazardous Waste ( Management, Handling and Trans boundary Movement) Rules, 2008 framed under the E(P) Act – 1986.



**c) Unit-III Shed No. A/18 & 19, 20 & 21, Ground Floor, Mahalaxmi Industrial Estate, Near Chokshi Tube, GIDC Phase -1, Vatva, Ahmedabad – 382445, Gujarat**

The unit does not generate any Air, Water or Noise pollution, it being a non-polluting unit no permission from the pollution board is not required.

**Man Power**

As on 31<sup>st</sup> March, 2011, our Company has a total of 111 employees at the units. The detailed break-up of our employees is as under:

Sr. No	Particular	Employees
1	Management & Finance	10
2	Administrative & Marketing	38
3	Production & Maintenance	13
4	Skilled & Semi Skilled Labour	50
<b>TOTAL</b>		<b>111</b>

**Insurance**

Details of Insurance are as follows:

**a) Unit – I 7, Shubhlaxmi Industrial Estate, Sarkhej – Bavala Highway, Changodar, Ahmedabad – 382213, Gujarat**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Factory Building incl. PIlnth & Foundation, Plant & Machinery and Accessories, Furniture, Fixtures and Fittings, Stocks including Raw Material, Finished and Semi Finished Goods	212400/11/09/11/000024 12	13.08.2011	755.00
2	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Stocks including Raw Material, Finished and Semi Finished Goods	212400/11/09/11/000028 47	02.09.2011	250.00



3	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Plant & Machinery and Accessories	212400/11/10/01/00200086	13.08.2011	1350.00
4	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Stock and Stock-in-progress	212400/11/10/01/00201006	13.08.2011	200.00

**b) Unit – II Plot No. 401,402 GIDC Industrial Estate, Umreth, District: Anand – 388220, Gujarat**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Stocks including Raw Material, Finished and Semi Finished Goods	212400/11/10/11/00001925	21.06.2011	400.00
2	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Factory Building incl. Pilnth & Foundation, Plant & Machinery and Accessories, Furniture, Fixtures and Fittings, Stocks including Raw Material, Finished and Semi Finished Goods	212400/11/10/11/00001703	15.06.2011	730.00
3	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Stocks in Trade, Raw Material, Finished and Semi Finished Goods	212400/11/10/11/00002844	02.09.2011	250.00
4	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Stock and Stock-in-progress	212400/11/10/01/00201005	15.06.2011	700.00



**c) Unit-III Shed No. A/18 & 19, 20 & 21 Ground Floor, Mahalaxmi Industrial Estate, Near Chokshi Tube, GIDC Phase -1, Vatva, Ahmedabad - 382445, Gujarat**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Plant & Machinery and Accessories, and Stocks of Raw Material, Finished and Semi Finished Goods	212400/11/10/11/00003100	03.08.2011	35.00

**d) Marine Cargo Policy for Changodar & Umreth to any where in India:**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Marine Cargo Policy	The Oriental Insurance Co. Ltd.	Goods in transit (Wooden Kitchen & Accessories and other Wooden Furniture)	141300/21/2011/174	29.02.2012	200.00

**e) Factory Showroom at S.G. Highway, Ahmedabad:**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Standard Fire and Special Perils Policy	The New India Assurance Co. Ltd.	Plant & Machinery and Accessories, Furniture, Fixtures and Fittings, Stocks of Wooden Furniture and readymade	210402/11/10/01/00200019	02.11.2011	65.00



			Kitchens			
2	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Stocks of wooden furniture, stock in Trade, furniture fixture & fittings	210402/46/10/04/00001131	02.11.2011	50.00

**f) Registered office of the Company, Ahmedabad:**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Office building including plinth and foundation	212400/11/08/11/00003257	01.12.2018	21.50
2	Standard Fire and Special Parils Policy	The New India Assurance Co. Ltd.	Office building including plinth and foundation	210600/11/07/11/00000992	26.10.2012	5.00

**g) Workmen's Compensation: (Changodar)**

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Accidental Policy excluding Occupational Diseases and Medical Exp.	TATA AIG General Insurance Co. Ltd.	Accidental Policy excluding Occupational Diseases and Medical Exp.	2200018023	01.05.2012	10.05

### h) Company's owned Vehicles

Sr. No	Nature of Policy	Insured with	Description	Policy No	Expiry Date	Sum Insured (₹ In Lacs)
1	Private Car Policy & Package	Bajaj Allianz General Insurance Company Limited	Hyundai Santro Xing No – GJ-01-HM-7978	OG-12-2235-1801-00000053	13.04.2012	2.18
2	Private Car Policy & Package	Bajaj Allianz General Insurance Company Limited	Honda City No – GJ-01-HM-7978	0151055799 00	26.11.2011	7.71
3	Private Car Policy & Package	HDFC ERGO	Mercedes Benz, No-MH-04-BD-7534	231120022518600000	21.08.2011	8.5
4	Private Car Policy & Package	Bharti Axa	Toyata Innova 2.5 NO-CH-04-E-8643	FPV/I0308325/71/07/M17114	09.07.2011	6.75
5.	Bike Insurance Policy	Bajaj Allianz General Insurance Company Limited	Bajaj – Pulsar	OG-12-2235-1802-00000102	23.04.2012	0.53
6.	Private Car Policy & Package	Bharti Axa General Insurance Co. Ltd.	Audi	FPV/I0393674/71/10/M57113	12.10.2011	30.00
7	Private Car Policy & Package	Bajaj Allianz General Insurance Company Limited	I10	OG-11-2235-1801-00000829	12.08.2011	3.70
8	Private Car Policy & Package	Bajaj Allianz General Insurance Company Limited	I20	OG-11-2235-1801-00000805	06.08.2011	5.57
9	Private Car Policy & Package	Bharti Axa General Insurance Co. Ltd.	BMW (New)	FPV/I0405261/71/10/M5711L	17.10.2011	68.00



### Past Production Figures for the Company

Items	2005-06	2006-07	2007-08	2008-09	2009-10	Dec 2010
<b>Modular Kitchen</b>						
Wooden Cabinete ( In Nos.)	2312	3986	6669	10883	14952	18852
Wooden Penal Door ( in Sq.Mts.)	3826.12	5016.70	7492.16	9173.90	136820.30	146823.00
<b>Home Furniture Doors ( In Sq.Mts)</b>						4859
Doors( In Sq.Mt)	0	480	1212	2614	5362	
Doors( In Sq.Mt)	1218	1836	2926.12	4479.92	6130.12	8106.40
<b>Treated and Kiln Dired Timber ( In Cu.Mt)</b>						6833.1260
DriedTimber	1013.4520	1778.6300	2482.1472	3426.4320	5230.7500	

### Competition

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

In organized sector, "Timbor Cucine" and Timbor Home" brand is amongst one of the leading players both in terms of quality and volume. We intend to face this competition through product differentiation. The kitchen industry has a number of European players like Veneta Cucine, Aran Cucine, Poggen Pohl, Nolte, Hacker and Indian players like Godrej, Sleek, Reliance, Home Town. The door industry has more regional players like Kutty, Kalpatru, Niki, Godrej, Century, Green. The home furniture segment has players like Godrej, Style Spa, Durian, @home, Tangent.

### Export Obligations, if any

As on date on the Red Herring Prospectus our Company does not have any Export Obligations.

### OUR BUSINESS STRATEGY

#### Business Strategy:

The company operates in the fastest growing housing and retail industry and aims to be the largest player in the modular kitchen and door industry. The company believes that there is a tremendous growth opportunity in the housing and retail industries which are growing at 30% per annum on a national level and the domain expertise that the company has obtained in the past will enable the company to compete effectively in this sector and deliver value proposition to the customers and stakeholders. The company aims to achieve this by implementing the following strategies:

#### Consolidation of company's position through capacity and product mix expansion:

To achieve the company's objective of increasing its presence on a national level and also to make value added products, the company plans to increase the production capacity of modular kitchen to 30 kitchens



per day, the door production to 700 doors per day and the door frames to 1000 sets per day. The company plans to manufacture Eco-friendly doors keeping in mind the issue of Global Warming and also Fire-retardant doors seeing the rise in high rise building, hotels, mall and multiplexes. The backward integration into plantation of timber in 300 acres of land will guarantee supply for quality raw material at economical price in the future.

*Focusing on sales on a national level:*

The door industry is dominated by regional players catering to their regional demands only. The company's strategy is to focus on maximizing sales on a national level through its network of exclusive stores and distributors and dealers and introducing value added products to direct customers. The company also plans to tie up big retailers for its product display at their malls and super stores.

*Increase in distribution and sales network:*

The company's products are currently marketed through more than 80 exclusive stores in 17 states which the company plans to increase to 300 stores with a Pan India presence. The company also plans to increase the number of distributors and dealers for the doors to 200 on a national level. The company's policy is not to have too many layers of distribution thereby ensuring that the final product is available to the customer at a reasonable price-which is the philosophy of the company to offer a wide range of well designed and functional modular kitchens and doors at prices so low that as many people as possible will be able to afford them. The company also plans to sell its products directly to the Government and high end users and would be focusing strongly in this sector.

*Increased promotion of company's brand:*

The company has placed ₹ 5.00 crore worth of equity with The Times of India Group and has taken advertisement spots worth ₹ 5.00 crore from them in the print, radio and television media. The company plans to use this spots for brand promotion and also to increase its distribution network. Outdoor activities are also planned to connect the direct consumer to the company. Participation in industry, trade and consumer fairs is also planned.

*The company adopts a multipronged strategy for continuous growth of its business through the following measures:*

- Enhance the quality, design and get up, in accordance with the International Standards.
- Backward and horizontal integration by way of plantation and adding new and value added products to the existing products.
- Long term customer relationship and customer satisfaction.
- Need based production and product mix.

**Licensed and Installed Capacity Utilisation**

Since the furniture components are customized products with a vast basket of product mix, hence the installed capacity cannot be quantified. The company operates the manufacturing plants with two shifts of eight hours each. The company makes value added products from the timber it processes. The new capacity is being built to manufacture complete home furniture, expand production through the addition of new advanced and automated machines.



## OUR BRANDS:

### 1. TIMBORCUCINE



Our Company manufactures and markets modular kitchens under the brand Timbor Cucine which also happens to be flagship brand of the Company.

### 2. TIMBOR DOOR



Our Company manufactures and markets Doors & Doors/ Window Frames the brand Timbor Door.

### 3. TIMBOR HOME



Our Company manufactures and markets home furniture under the brand Timbor Home. Timbor Home displays all products of Timbor under one umbrella usually occupies large showrooms.

Our focus is to target all segments with our brand "Timbor Home" which gives ultimate customer satisfaction by giving the proposition of long durability for the products and also value for money proposition by being competitively priced. Our brand satisfies the customers desire to use eco-friendly products.

### 4. IKI KITCHENS

Our Company manufactures and markets Hi-tech modular kitchens under the brand IKI Kitchens where the hardware and accessories fitted are solely of Hettich which is a reputed German company.



## INTELLECTUAL PROPERTY RIGHTS

Table below outlines the current status of our Intellectual Property (Trade Marks & Copy Rights)

### Trade Marks

Presently, our products namely 'Timbor [•]', 'Timber [•]' are being sold without any registration of Trademark/Label. We are in the process of applying for registration of our Trademark/Label in respect of these products.

SR. No.	Trade Mark / Trade Name	Trade Mark Number	Issuing Authority	Class	Date of Application	Date of Registration
1	TIMBOR CUCINE	No 1595114	The Registrar of Trade Marks, Trade Marks Registry, Ahmedabad	20	27/08/2007	31/03/2009
2	Kitchengineer	TM Application No 1737122	- do -	41	25/09/2008	Under Process
3	TIMBOR	TM Application No 1769236	- do -	20	30/12/2008	Under Process
4	IKI	No.1301014	-do-	20	06/08/2004	15/11/2005

### Details of Copy Right

SR. No.	Copyright Name	Reference Number	Issuing Authority	Class	Date of Application	Date of Registration & Number
1	TIMBOR	Ref No. 26-11-09/2153/TM/2008-09	The Registrar of Trade Marks, Trade Marks Registry, Ahmedabad	20	23/11/2009	A – 89569/2011 dated 06.01.2011



## PROPERTY

### A. Owned Property

#### 1.Changodar Unit located at Ahmedabad District

Agreement of sale dated July 1, 2004 entered into by and between M/s. Prin Pack Private Limited (“Seller”) and our Company (“Purchaser”) (the “Agreement”)

Particulars	Details
Name of the Parties	1. M/s. Prin Pack Private Limited 2. Our Company
Description of Property	Survey No. 435 admeasuring 1005.85 Square Meter, Village Moraiya, Changodar, Ahmedabad – 38 2213
Date of agreement	July 1, 2004
Consideration Paid	₹ 10.51 Lacs
Usage	Factory Purpose
Details of Charges	Mortgaged to Union Bank of India

Agreement of sale dated May 26, 2005 entered into by and between Dr. Jesomal S. Khorchandani (“Seller”) and our Company (“Purchaser”) (the “Agreement”)

Particulars	Details
Name of the Parties	1. Dr. Jesomal. S. Khorchandani 2. Our Company
Description of Property	Survey No. 435 admeasuring 2155.00 Square Meter, Village Moraiya, Changodar, Ahmedabad – 38 2213
Date of agreement	May 26, 2005
Consideration Paid	₹ 2.31 Lacs
Usage	Factory Purpose
Details of Charges	Mortgaged to Union Bank of India

#### 2.Umreth Unit located at Anand District

Agreement of sale dated March 24 2008 entered into by and between Santram Wood Industries (“Seller”) and our Company (“Purchaser”) (the “Agreement”)

Particulars	Details
Name of the Parties	1. Santram Wood Industries 2. Our Company
Description of Property	Plot No. 401, 402 GIDC Industrial Estate, Umreth, District: Anand admeasuring 10361 sq.mt
Date of agreement	March, 24 2008
Consideration Paid	Rs 0.52 Lacs
Usage	Factory Purpose
Details of Charges	Mortgaged to Union Bank of India

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



## B. Leased Properties

(₹ In Lacs)

Sr. No.	Details of agreement	Description of Property	Validity	Rent Paid (Rs.)	Usage
1	Lease agreement dated July 24, 2008 entered in by and between Mrs. Shashikala R. Shah and Timbor Home Private Limited	Unit No. 15/B of Phase 16, Shree laxmi Industrial Estate, OTS No.627, Village, Oshiwara, New Link Road, Andheri (West), Mumbai – 400 053 admeasuring 850 Sq. ft	Commencing from August 1, 2008 to July 31, 2010	₹1.08 Lacs Security Deposit ₹3.00 Lacs	Commercial
2	Lease agreement dated July 10, 2009 entered in by and between M/s. Shukun Builders Pvt. Ltd. and Timbor Home Private Limited	Unit No. 103,112,112A & 114 , First Floor, Zodiac Square, Opp. Gurudwara, S.G. Road, Bodakdev, Ahmedabad – 380 054 admeasuring 9234 Sq.ft.	Commencing from August 1, 2009 to July 31, 2015	₹ 3.15 Lacs Security Deposit ₹ 6.30 Lacs	Commercial
3	Lease deed dated May, 9, 2009 entered in by and between Mr. G. Venkatesh and Timbor Home Private Limited	I.E. Premises, S.S. Grand, No. 40/41, 1 <sup>st</sup> Floor, Pilla Reddy Lay out, 10 <sup>th</sup> Main, 100 Feet Road, Dodda Banaswadi, Bangalore – 560 043, admeasuring 2500 Sq. Feet	Commencing from July 1, 2009 to June 30, 2014	₹ 0.50 Lacs Security Deposit ₹ 2.50 Lacs	Commercial
4	Lease deed dated July 8, 2009 entered in by and between M/s. Mai Impex and Timbor Home Private Limited	M-19, Basement, M-Block Market, Greater Kailash, New Delhi – 110 048, admeasuring 700 Sq. ft.	Commencing from July 1, 2009 to June 30, 2012	₹ 0.45 Lacs Security Deposit: ₹ 2.70 Lacs	Commercial
5	Lease deed dated December 27 <sup>th</sup> , 2009 entered in by and between Arjan Bahi Rajabhai Bharwad and Timbor Home Private Limited	Shed No. A/ 18- 19 admesasuring 165.05 Sq. ft. & Shed No. 20-21 admeasuring 146.5 sq. ft Mahalaxmi Industrial Estate, Ground Floor, Near Choksi Tube, GIDC Vatva, Ahmedabad-382445	Commencing from February 1, 2010 to November 30, 2011	₹ 0.25 Lacs Security Deposit: ₹ 1.00 Lacs	Commercial
6.	Lease deed dated February 15th 2008 entered in by Mr. Sureshchandra Maloo and Mr. Ajay Maloo and Timbor Home Pvt. Ltd.	Premises admeasuring 165 sq. yard as A-2, harikrupa Apartment, Near naranpura Railway Crossing, Naranpura, Ahmedabad–380013	Commencing from February 15th 2008 for a period of 9 years	₹ (Negligible)	Commercial (Registered office)





### C. Timbor Business Associates(TBA)

The Following table indicates our current market presence in India, as on April 30<sup>th</sup> 2011:

<b>SR.</b>	<b>STATE / UNION TERRITORY</b>	<b>CITIES</b>	<b>NO. OF STORES</b>
1.	Andhra Pradesh	5	6
2.	Chhattisgarh	2	2
3.	Gujarat	14	20
4.	Goa	1	2
5.	Haryana	2	2
6.	Jammu & Kashmir	1	1
7.	Jharkhand	1	1
8.	Karnataka	3	6
9.	Kerela	5	6
10.	Madhya Pradesh	3	7
11.	Maharashtra	6	6
12.	Nepal	1	1
13.	Orissa	1	1
14.	Punjab	2	2
15.	Rajasthan	7	7
16.	Tamil Nadu	2	4
17.	Uttar Pradesh	7	8
18.	Uttaranchal	1	1
19.	New Delhi	1	1
	<b>TOTAL</b>	<b>65</b>	<b>84</b>

## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. Sets forth below are certain significant legislations and regulations which generally govern this industry in India:

### General

For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please refer to the section titled “Government and Other Statutory & Approvals” starting from page no. 186 of this Red Herring Prospectus.

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

### A. INDUSTRIAL LAWS

#### 1. **The Factories Act, 1948**

The Factories Act, 1948 seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. Section 2(m) of the Act, defines, a ‘factory’ to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has set out rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories.

The Act provides that occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. There is a prohibition on employing children below the age of 14 years in a factory.

#### 2. **Contract Labour (Regulation and Abolitions) Act, 1970**

The Act applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour. The Act provides for the welfare of the contract labour, their wages, appointment of the inspecting staff and maintenance of registers, records, etc. As per the said Act, the establishments covered are required to be registered as the Principal Employer.

#### 3. **Industrial (Development and Regulation) Act, 1951**

This Act covers industries dealing in edible oil products, and mandates that such industries must, prior of being set up, acquire a license from the Central Government in this behalf. Under the New Industrial Policy dated July 24, 1991, all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

**4. The Standards of Weights and Measures Act, 1976**

This act was enacted to establish standards of weights and measures, to regulate inter-state trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers, and to provide for matters connected therewith or incidental thereto.

**5. Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than ₹ 6500/-

**6. Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 gives power to appropriate government (Central or State) to fix minimum wages to be paid to the persons employed in scheduled or non scheduled employment and the concerned employer is required to pay the minimum wages, fixed by the appropriate government.

**7. The Workmen Compensation Act, 1923**

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

**8. Payment of Gratuity Act, 1972**

The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

**9. Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 is applicable on every establishment employing 20 or more employees. The said act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

**10. Employee's Provident Funds and Miscellaneous Provisions Act, 1952**

This act was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the 'Employee's Provident Fund Scheme', 'Employee's Deposit linked Insurance Scheme' and the 'Employees' Family Pension Scheme' for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

**11. Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 is applicable to establishments and undertakings wherein any systematic activity is carried out by co-operation between an employer and his workmen for the production, supply or distribution of goods or services. The Act requires for the maintenance peace and harmony for better working conditions.

**B. POLLUTION LAWS****1. Environment (Protection) Act, 1986 & Environment Protection Rules**

The Central Government has been vested with powers to lay down standards for the quality of environment in its various aspects, standards for emission or discharge of environmental pollutants from various sources and to restrict areas in which operations or processes cannot be carried out or shall be carried out subject to certain safeguards. In case of offences by companies, the person who was in charge at the time of the commission of the offence shall be deemed to be guilty.

**2. Water (Prevention and Control of Pollution) Act, 1981**

The Water (Prevention and Control of Pollution) Act, 1981 (Water Act) prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board (SPCB). The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

**3. Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act, 1981 (Air Act) under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any mining activity. The SPCB is required to grant consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

**4. The Hazardous wastes (Management and Handling) Rules, 1989**

The Hazardous Wastes (Management and Handling) Rules, 1989 provides for control and regulation of hazardous wastes as defined under the Rules discharged by the operations of undertakings. Prior consent of the Pollution Control Board must be obtained for any new outlet or unit, likely to discharge sewage or effluent.

**C. TAX RELATED LEGISLATIONS****1. Valued Added Tax, 2005**

Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

**2. Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 31st October of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

**3. Central State Tax Act, 1956**

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

**4. Service Tax**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

**D. INTELLECTUAL PROPERTY RIGHTS**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

**E. CONTRACTUAL RIGHTS**

The bulk of the transactions in trade, commerce and industry are based on contracts. In India, the Indian Contract Act, 1872 is the governing legislation for contracts, which lays down the general principles relating to formation, performance and enforceability of contracts.

**1. Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It only provides a framework of rules and regulations which govern formation and performance of contract. The rights and duties of parties and terms of agreement are decided by the contracting parties themselves. The court of law acts to enforce agreement, in case of non-performance.



## HISTORY AND CORPORATE MATTERS

Our Company was originally incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Companies Act, 1956 vide Certificate of Incorporation bearing registration number 04-37984 issued by the Registrar of Companies, Dadra & Nagar Haveli, Gujarat, an internet portal company for the furniture and interiors industry, however the concept was new and did not take off. Timbor Home Pvt Ltd. was incorporated on 11/5/2000 as Inside Outside India Dot Com Pvt Ltd, on 8/2/2005 the company's name was changed to IKI Timbor Pvt Ltd and in July 2004 a manufacturing plant was set up at Changodar, Ahmedabad to manufacture kitchen components. The name of our company was further changed to Timbor Home Private Limited with fresh Certificate of Incorporation with effect from May 22, 2007 and subsequently our Company was converted into Public Limited Company vide a Fresh Certificate of Incorporation on June 13, 2009 and consequently the name of our Company was changed to "Timbor Home Limited".

The Company in July 2007 placed equity with Bennett Coleman & Co Ltd (The Times of India Group). In March 2008 the company set up the plant at Umreth, Anand District to manufacture treated timber, door, joiner and home furniture. In August 2008, Writer and Publishers Ltd (Dainik Bhaskar Group, DB Corp Ltd) invested into the equity of the company. In October 2009, Brand Equity Treaties Ltd (The Times of India Group) again invested into the equity of the company. In December 2009, the company set up manufacturing of stainless steel kitchen accessories and set up a factory at Vatva, Ahmedabad. Currently the company has three manufacturing plants located at Changodar and Vatva in Ahmedabad and at Umreth in Anand District. The company manufactures modular kitchens and components, door and components, furniture and components and timber and timber components. The company operates as a manufacturer-retailer having a pan India presence in form of more than 80 exclusive kitchen and door retail outlets operating on a franchisee model. The company has 5 Timbor Home furniture showrooms on company lease and revenue sharing basis. The company is and ISO 9001 & 14001 & FSC certified company

The company markets its products under the brand names Timbor Cucine- Modular kitchens, Timbor Door-Doors, Timbor Home- Solid wood furniture, and IKI-Kitchens

Our turnover and profitability for last five years and nine months period ended on December 31, 2010 has been as follows:

Particulars	(₹ In Lacs)					
	31.12.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Total Income	5482.97	5104.13	2667.89	1957.65	1014.51	682.36
PBT	306.38	314.57	188.60	120.90	24.50	17.20
PAT	306.38	177.92	122.86	71.93	14.78	10.53

### Changes in Registered Office of our Company

Date	Registered address changed from	Changed to	Reason of Change
July 25, 2007	B-1, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad – Gujarat – 380 013	A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad – Gujarat – 380 013	For business Purpose



### **Major Events in the History of the Company:**

#### **Year : May, 2000**

Our Company was incorporated as M/s. Inside Outside India Dot Com Pvt. Ltd. a new concept of Internet Portal Company for the Furniture and Interiors and the Directors of the Company was Mr. Anant Sureshchandra Maloo and Mrs. Nicole Ashish Khurana.

#### **Year : April, 2004**

Our Company received Certificate in the name of M/s. Inside Outside India Dot Com Pvt Ltd from Ahmedabad Municipal Corporation under Shops and Establishment Department for running our Business and Registered Office of the Company (Registration No. PIL/EL/01/0000795 – Dated: 28.04.2004)

#### **Year : July, 2004**

Our Company commenced manufacturing Plant for Kitchen Components at Changodar (Ahmedabad)

#### **Year : February, 2005**

Changed our Company name to M/s. IKI Timbor Pvt Ltd wide ROC Certificate No. 04 – 37934 – Dated: 08.02.2005

#### **Year : November, 2006**

Assistant Commissioner of Central Excise issued a Registration Certificate No.AABCI2531A XM001 Dated: 02.11.2006 in the name of M/s. IKI Timbor Pvt Ltd for removal/sale of Excisable Products

#### **Year : May, 2007**

Changed our Company name to M/s. Timbor Home Pvt Ltd wide ROC Certificate Dated: 22.05.2007

#### **Year : July, 2007**

Our Company entered into agreement with Bennett Coleman & Co. Ltd (The Times of India Group) and place an Equity.

#### **Year : March, 2008**

Our Company setup manufacturing plant at Umreth, Anand District to manufacture Treated Timber, Door, Builder Joinery and Home Furniture.

#### **Year : August, 2008**

Our Company entered into agreement with Writter & Publishers Ltd (The Dainik Bhaskar Group. D.B. Corp Ltd) and invested into the Equity of the Company

#### **Year : October, 2008**

Our Company received ISO 9001-2000 Certification for Quality Management System to Manufacture and Marketing Modular Kitchen, Wooden Furniture and Door at Changodar (Ahmedabad) and Umreth Units (Certificate No.GUJ/Q-1099 Dated : 24.10.2008 – Validity Period : 24.10.2008 to 23.10.2011)

Our Company also received ISO 14001-2004 Certification for Environment Management System of the Company for our Changodar and Umreth Units (Certificate No. GUJ/E-1102 Dated: 24.10.2008 – Validity Period: (24.10.2008 to 23.10.2011)



**Year : June, 2009**

Changed our Company name to M/s. Timbor Home Limited wide ROC Certificate Dated: 30.06.2009

**Year : September, 2009**

Our Company opened Factory Outlet Show Room at Zodiac Square, S.G. Highway Road, Ahmedabad for Kitchen and Home Furniture Display.

**Year : October, 2009**

Our Company entered into agreement with Brand Equity Treaties Ltd (The Times of India Group) and invested into the Equity of the Company.

**Year : December, 2009**

Our Company setup manufacturing plant of Stainless Steel Kitchen Accessories at Vatva (Ahmedabad)

**Year : June, 2010**

Introduce Imported Kitchen Cookware in our product range.

**Year : January 2011**

An Agreement with Reliance Digital Media Ltd. is entered into for carrying out business of Modular Kitchen and Furniture in Reliance Fresh Store at Surat and Jaipur.

**Year : April 2011**

Timbor Cucine the Modular Kitchen brand of Timbor Home Ltd. was awarded Kitchen Retailer of the Year 2011 at Indian Kitchen Congress Awards held in New Delhi on April 29, 2011. The Indian Kitchen Congress Conference and Awards event was organized by Sourcing Hardware in association with the Association of Furniture Manufacturers and Traders (India) and Hafele India Pvt Ltd.

**Main Objects of Our Company**

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

To carry on the business of manufacturers, dealers, traders, exporters, importers, consignors, consignee's, agents, factors, brokers, whole- sellers, retailers of all kinds, types, sizes of wood and plywood, with and/or without lamination of any type and kind thereon Including other types of good such as teak wood, flush door, plywood, figure wood, fibrous boards, duplex boards, triplex boards, colour boards, block boards, laminated boards, press boards, masonite boards, pulp boards, paste board, glazed boards, life boards, gyparation boards, packing wood and articles/products, fumitories made there from whether for Industrial, commercial and domestic purpose/uses.

**Amendments to our Memorandum of Association**

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

<b>Date of Shareholders Approval</b>	<b>Amendment</b>
April 29 <sup>th</sup> , 2004	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹ 5.00 Lacs to ₹ 20.00 Lacs
May 5 <sup>th</sup> , 2006	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹ 20.00 Lacs to ₹ 40.00 Lacs





June 30 <sup>th</sup> , 2007	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹40,.00 Lacs to ₹ 250.00 Lacs
May 7 <sup>th</sup> , 2009	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹ 250.00 Lacs to ₹ 500.00 Lacs
May 26 <sup>th</sup> , 2009	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹ 500.00 Lacs to ₹ 1100.00 Lacs
April 26 <sup>th</sup> , 2010	<b>Alteration in Capital Clause</b> The Authorised Share Capital of our Company was increased from ₹ 1100.00 Lacs to ₹1500.00 Lacs

### **Our Subsidiaries**

As the date of the filing of this Red Herring Prospectus we do not have any subsidiary Company.

### **Shareholders Agreements**

#### ***Convertible Debenture Subscription Agreement dated 27th Day of July, 2007, by and between:***

TIMBOR HOME PRIVATE LIMITED and BENNETT, COLEMAN & CO. LIMITED (BCCL)

The main Clauses of the Debenture Subscription Agreement:

- The Debenture allotted to BCCL amounting to ₹ 5 Crores shall be compulsorily converted into Shares on 1st July, 2009.( conversion date ) The conversion of the Debenture shall take place without further act by or on behalf of BCCL and / or the Company and the Company shall and the Promoters shall cause the Company to, issue and allot such number of Shares to BCCL based on the price per Share for conversion of the Debenture in to BCCL Shares (“Conversion Price”) calculated as below where in number of BCCL Shares shall be derived from the following equation :

$$\text{BCCL Shares} = (\text{Subscription Amount} * Y) / X$$

Where:

X = the Profit After Tax (PAT) based on the Audited Accounts 2009, as defined in Article 6.10 \* 16 (The P/E Multiple);

Y = (Number of outstanding issued and paid up Shares as on 30th June, 2009 + the Proposed BCCL Shares + Shares vested under an ESOP)

- The Conversion price shall be an amount equal to the Subscription Amount divided by the number of BCCL Shares. The Profit After Tax shall exclude all non-recurring income and expenditure and extra ordinary income and expenditure determined and computed in accordance with Indian GAAP.

- BCCL covenants that the BCCL, Shares shall be subject to a lock in for a period of 3 (Three) years from the date hereof; or in the event of an IPO for such period as may be determined under applicable law at the time of IPO, whichever occurs earlier, subject to the Securities and Exchange Board of India (Disclosure and Investor) Protection Guidelines, 2000 (the “DIP Guidelines”). It is clarified that BCCL, shall have the right to transfer or sell or otherwise dispose of the BCCL, Shares in any manner at the expiry of the lock-in period mentioned herein.

- The company shall not issue shares through the IPO at price lower than the conversion price. For the purpose of this Clause, the Conversion Price shall be adjusted for any bonus issue and / or any stock split made by the Company from the date of allotment of the Conversion shares till the date of the IPO. In the event that the IPO takes place at a price lower than the Conversion Price after the adjustment, the Promoters hereby covenant and undertake, jointly and severally, to transfer such number of Shares to BCCL for no additional consideration such that the weighted average price of the BCCL shares (i.e. the Shares held by BCCL after the date of allotment of the BCCL Shares and the Shares transferred by the



Promoters in accordance with the terms hereof) is equal to the IPO price. It is clarified that the transfer of shares by the Promoters shall take place on the next succeeding Business Day after the completion of the statutory lock-in of one year from the date of the IPO of the entire pre-issue share capital currently prescribed in clause 4.14.1 of Chapter IV of the DIP Guidelines, as may be amended from time to time. Promoters undertake, jointly and severally, to keep available such number of Shares as may be required to fulfill their obligations in terms hereof and ensure that the same are not subject to the three year lock-in for promoter's shares under the DIP Guidelines. It is further clarified that the number of Shares to be transferred to BCCL by the Promoters shall be computed on the basis of IPO price.

- Subsequent to the Conversion Date, the promoters shall not Transfer any of the Shares held by them at a price per Shares lower than the Conversion Price, without the prior written of BCCL.

- The Promoters and the Company hereby undertake and agree that BCCL and / or any affiliate of BCCL, shall not be represented to any Person or in any disclosure, named or deemed as a 'Promoter' in the prospectus or any other documents related to a public offering or otherwise and shall not be required to offer or make available the shares held by BCCL for the purposes of any mandatory lock – in as applicable to 'promoters' under the DIP Guidelines in respect of public offering or otherwise, nor shall any declaration or statement be made in this regard or in respect of making BCCL a 'Person acting in concert' with the Promoters (or any of them, as the case may be), either directly or indirectly, in filing with regulatory or governmental authorities as also stock exchanges, offer documents or otherwise.

- **Put Option**

In the event that the IPO of the Company and listing of the Shares on a recognized stock exchange is not completed within 4 (Four) years from the date hereof, BCCL shall have the right, by written demand signed by BCCL, to required the Promotes, jointly and severally, by themselves or through a person(s) nominated by them, to purchase all or some of the BCCL Shares at the price per Share being not less than the Sale Price For the purposes of this Clause, the "Sale Price" shall mean an amount equal to the Earning Per Share ("EPS") \* P/E multiple. EPS means EPS based on audited financial accounts for the financial year immediately preceding the date of such buyback. For the purpose of this Clause, P/E multiple will be equal to 16 (Sixteen). For the purposes of this Clause the Earning Per Share shall be adjusted for any stock split made by the Company from the Closing Date till the date of purchase of BCCL Shares by the Promoters. The EPS will be arrived at after excluding all non – recurring income and expenditure and extra – ordinary income and expenditure in accordance with Indian GAAP.

- After the occurrence of the IPO, BCCL shall have the right to Transfer, the BCCL Shares, or a part thereof, if any manner and to any person that it deems fit.

**\* Pursuant to Debenture Subscription Agreement with Benet Coleman & Co. Ltd. dated 27.06.2007, the company has issued 2346316 Equity Shares on 16.02.2010 at Issue Price of 21.31 per share.**

**Advertising Agreement dated 27th day of July, 2007 by and between:**

BENNETT, COLEMN & CO. LIMITED AND TIMBOR HOME PRIVATE LIMITED

- The Company hereby agrees to place advertisements of the value of ₹ 5,00,00,000/- (Rupees Five Crore Only) net of agency commission in the BCCL Media (the "Total Commitment"), during the First, Second and Third Sub-Terms (in each Sub-Term, the Annual Commitment) in the manner set out below, provided that no more than 30% (Thirty Percent) of the Total Commitment shall be utilized for advertisement released in BCCL Non – Print Media.

Sr. No.	Sub Term	Annual Commitment (₹ In Crores)
1	First Sub Term	1.20
2	Second Sub Term	1.70
3	Third Sub Term	2.10
	Total	5.00



The Company shall be entitled to utilize its unutilized Annual Commitment for each Sub – Term in BCCL Print Publications within 3 (Three) months from the end of each Sub – Term.

- The Company hereby agrees to make the payment of the Total Commitment as per Clause above, within a period of 7 (seven) days from the date hereof. All such payments shall be made by a pay order or demand draft or cheque drawn on a recognized bank or such other means that is acceptable to BCCL. The advertisement expenditure in terms of this Agreement shall be treated as recurring and ordinary expenditure in the books of the Company.
- BCCL and the Company hereby agree and confirm that the rates for various advertisements in the BCCL Print Publication shall be in accordance with the extant policies of the specific BCCL Print Publication at the time of placing such advertisements. The rates for BCCL Non-Print Media shall be as negotiated between the Company and the specific BCCL Non-Print Media. It is specifically clarified that the choice of space and slot in respect of advertisements by the Company in BCCL Media shall be subject to the availability of space or slot in the relevant BCCL Media as sought by the Company.
- The Company acknowledges and recognizes that based on the Total Commitment undertaken by it under Clause above, BCCL has made necessary arrangements to ensure that the advertising space in BCCL Media, will be available to the Company for the advertisement of its products during the Term of this Agreement. In view of the said arrangement made by BCCL, the Parties hereby agree that any failure by the Company to meet its Total Commitment, will cause considerable loss to BCCL and to mitigate such loss, the Company has agreed that it shall not be entitled to refund of any part of the amount paid under this Agreement under any circumstances and such amount shall only be set off against the advertisements to be placed in BCCL Media in the manner provided herein. Accordingly, any part of the Total Commitment unutilized in terms of Clause above, shall stand forfeited. It is specifically agreed that, any termination of the Agreement for any reason, other than a material breach by BCCL of its obligations under this Agreement, shall result in the forfeiture of the Total Commitment remaining unutilized at the time of such termination.
- The Company shall be entitled to free advertisement space (“Space Banking”) as per the client incentive scheme prevailing at that point of time, subject to the Company :
  - a. Complying with the Annual Commitment in BCCL Print Publications in accordance with Clause above; and
  - b. Ensuring that the volume of business placed in BCCL Print Publications is a minimum of 90% (Ninety Percent) each of the total volume of advertisement released by the Company in the respective market segment in all markets where BCCL Group has its presence. The Parties hereby acknowledge and agree that the calculation of the volume of business shall include free exposure that may be offered to the Company in any publication not being a BCCL Print Publication.
- This agreement shall commence from 1st July 2007 and continue for a period of 3 (Three) years, unless terminated earlier by the Parties.

***Share Subscription Agreement dated 18th day of August, 2008 by and between:***

TIMBOR HOME LIMITED AND WRITERS & PUBLISHERS LIMITED (WPL)

- WPL hereby agrees to subscribe to and the Company agrees to issue and allot to WPL 1, 11, 111 (One Lakhs Eleven Thousand One Hundred Eleven Only) Shares (the “WPL Shares”) at the price of ₹ 360 (Rupees Three Hundred Sixty Only) per share (the “Subscription Price”), amounting to an aggregate consideration of approximately ₹ 4,00,00,000 (Approximately Rupees Four Crores Only) (the “Subscription Amount”). The decision to subscribe to the WPL Shares has been made on the basis of financial projections and other parameters provided by the Company.



- The Company shall be entitled to use the Subscription Amount for any purpose as may be determined by its board of directors.

**Advertising Agreement dated 18th day of August, 2008 by and between:**

WRITERS & PUBLISHERS LIMITED AND TIMBOR HOME LIMITED

- The Company hereby agrees to place advertisements of the value of ₹ 4,00,00,000/- (Rupees Four Crore Only) net of agency commission in the WPL Media during the Term (the "Aggregate Commitment"). During the First Year Term and the Second Year Term, the Company shall place advertisement of value as mentioned below :

Term	Annual Commitment in WPL Print & Non Print Publication (₹ In Crores)	Annual Commitment (₹ In Crores)
1st Year	1.25	Annual Commitment ₹ 1.25
2nd Year	1.25	Annual Commitment ₹. 1.25
3rd Year	1.50	Annual Commitment ₹. 1.50
Total	4.00	4.00

- The Company hereby agrees to pay to WPL a sum of Rs. Four Crores being the entire amount for the Aggregate Commitment on or before 18th August 2008. Such payment shall be made by a pay order or demand draft or cheque drawn on a recognized bank or such other means that is acceptable to WPL.
- For advertising of the Company's products / Brands / services in WPL Media, WPL shall raise an invoice on the Company. The amount of the invoice payable by the Company to WPL shall be adjusted against the Aggregate Amount paid by the Company to WPL.
- This Agreement shall commence from 18th August 2008 and continue for a period 2 (Two) years, unless terminated earlier by the parties.

**Share Subscription Agreement dated 21st day of October, 2009 by and between:**

BRAND EQUITY TREATIES LIMITED (BETL) AND TIMBOR HOME LIMITED

- BETL hereby agrees to subscribe to and the Company agrees to issue and allot to BETL on a preferential basis 273470 (Two Lacs Seventy Three Thousand Four Hundred Seventy Only) Equity Shares, at a price per share of ₹ 98 (Rupees Ninety Eight Only) aggregating to ₹ 26800060 (Rupees Two Crore Sixty Eight Lacs Sixty Rupees Only) (Subscription Amount) constituting around 4.38% of the issued and outstanding equity share capital of the Company post the said preferential allotment of shares to BETL. The said amount has been arrived at based on a valuation of the Company of ₹ 61,00,00,000 (Rupees Sixty One Crores only), not including the Subscription Amount and the equity shares capital of the Company as on the date hereof being ₹ 6,23,34,720/- (Rupees Six Crore Twenty Three Lakhs Only) shares of face value of ₹ 10/- (Rupees Ten Only) each. In case of issue of bonus Shares or split of Shares or other capital reorganization, the Subscription Price and Subscription Shares shall accordingly stand adjusted.
- The Company shall be entitled to use the Subscription Amount for any purpose as may be determined by the board of directors of the Company.
- Any Amendment to the articles of association which in any manner affects the rights and obligations of BETL, shall require the affirmative vote of BETL.
- The Company and the promoters, jointly and severally, covenant that they shall use reasonable endeavours to cause an initial public offering of the Company ("IPO") within a period of 1(one) year and



6(six) months from the date of Agreement, including but not limited to obtaining all consents and approvals (corporate and otherwise) for the same in accordance with applicable laws.

- BETL covenants that the Subscription Shares shall be subject to a lock-in the manner outlined as below; or in the event of an IPO for such period as may be determined under applicable law at the time of IPO, whichever occurs earlier, subject to the Securities and Exchange Board of India (Disclosure and Investor) Protection Guidelines, 2000 (the "DIP Guidelines");
  - At the end of a period of 1(one) year from the date of Agreement, BETL shall be entitled to sell 25 % (Twenty Five percent) of the Subscription Shares.
  - At the end of a period of 2 (Two) years from the date of Agreement, BETL shall be entitled to sell 50% (Fifty Percent) of the Subscription shares.
  - At the end of period of 3 (Three) years from the date of Agreement, BETL shall be entitled to sell 75 % (Seventy Five Percent) of the Subscription Shares.
  - At the end of period of 4 (Four) years from the date of Agreement, BETL shall be entitle to sell all the Subscription Shares.
- 
- In the event that the Company issues any further Shares, including in the event of a merger or amalgamation of another entity with the Company, within a period commencing from the date hereof till any point of time prior to the completion of the IPO (a "Fresh Offering"), whereby the Present price is lower than the Subscription Price, then the Company shall issue and the Promoters shall cause the Company to issue and allot such number of Shares forming part of the Fresh Offering to BETL, in accordance with applicable law, for no additional consideration or the minimum additional consideration permitted in accordance with applicable law, whichever is lower, such that the weighted average price of the Subscription Shares and the Shares acquired by BETL at the Fresh Offering shall be equal to the Present Price paid for the Shares issued at the Fresh Offering by another person. The Company shall obtain and the Promoters shall cause the Company to obtain all approvals, regulatory and otherwise, in this regard. In the event of the Company is unable to allot the Shares to BETL for no additional consideration, the Promoters shall jointly and severally, transfer such number of Shares held by the Promoters at no additional consideration to BETL, such the weighted average price of the Subscription Shares and the Shares acquired by BETL from the Promoters in the manner indicated herein shall be equal to the Present Price paid for the Shares issued at the Fresh Offering by another Person. Provided that this clause shall not be applicable to issue of Shares by way of an ESOP.
- 
- The Company shall not issue Shares through the IPO whereby the present IPO price is lower than the subscription price. In the event that the IPO takes place at a price whereby the present IPO price is lower than the Subscription Price, the Promoters hereby covenant and undertake, jointly and severally, to transfer such number of shares to BETL for no additional consideration such that the weighted average price of the subscription shares (i.e. the Shares held by BETL on the date of allotment of the Subscription Shares and the Shares transferred by the Promoters, or any of them as the case may be, in accordance with the terms hereof) is equal to the Present IPO price. It is clarified that the transfer of Shares by the Promoters, or any of them, as the case may be, shall take place on the next succeeding Business Day after the completion of the statutory lock-in as per applicable law, of the entire pre-issue share capital currently prescribed in clause 4.14.1 of Chapter IV of the DIP Guidelines, as may be amended from time to time. The Promoters, jointly and severally, undertake to keep available such number of Shares as may be required to fulfill their obligations in terms hereof and ensure that the same are not subject to the three year lock in on a promoter's contribution the DIP Guidelines. It is further clarified that the number of shares to be transferred to BETL by the Promoters, or any of them, as the case may be, shall be computed on the basis of the Present IPO price.
- 
- The promoters shall not Transfer any part of their Shareholding in the Company, without the prior written consent of BETL.
- 
- The Promoters and the Company agree that the Company shall not be merged with any other company, any division demerged, or in any way restructured, including reduction of capital, without



obtaining the prior written consent of BETL for the scheme of merger, demerger or other restructuring as the case may be.

- The Promoters and the Company hereby undertake and agree that BETL and / or any affiliate of BETL, shall not be represented to any Person or in any disclosure, named or deemed as a 'Promoter' in the prospectus or any other documents related to a public offering or otherwise and shall not be required to offer or make available the Shares held by BETL for the purpose of any mandatory lock-in as applicable to 'promoters' under the DIP Guidelines in respect of public offering or otherwise, nor shall any declaration or statement be made in this regard or in respect of making BETL a "Person acting in concert" with the promoters (or any of them, as the case may be), either directly or indirectly, in filings with regulatory or governmental authorities as also stock exchanges, offer documents or otherwise.
- The Company and the Promoters hereby agrees and covenants with BETL that in the event the Company issues Shares and / or Shares linked securities of the Company, at any point of time, to any entity, engaged directly or indirectly in media business, the price per Share at which such issue is effected shall be at a premium of at least 30% (Thirty percent), calculated on a per annum basis, over the Subscription price, other than in the case of issue to entities under the BETL Group. Further, notwithstanding anything stated herein, in the event the Promoters Transfer any Shares held by it to any entity, engaged directly or indirectly in the media business, but not including BETL and its group companies, the price per Share at which Transfer is effected shall be at a premium of at least 30% (Thirty percent), calculated on a per annum basis, over the Subscription price.
- The Company hereby covenants that it shall not sell, license, assign or in manner part with all or a part of it's rights to any of the brands currently owned by the Company or acquired by the Company in future without having obtained the prior written consent of BETL.
- In the event that the listing of Shares of the Company is not completed for any reason whatsoever within 1 (one) year and 6 months from the date hereof, BETL shall have the right, by written notice signed by BETL (Put Option Notice), to require the Promoters, jointly and severally, to purchase all or some of the Shares held by BETL as indicated by BETL in the put option notice, at the price per share being not less than the sale price. For the purposes of this Clause the "Sale Price" shall mean an amount equal to the Earning Per Share ("EPS") \* P/E multiple. EPS means EPs based on audited financial accounts for the financial year immediately preceding the date of exercise by BETL of its right under this Clause. For the purpose of this Article, the P/E multiple will be 16. For the purpose of this Clause the EPS shall be adjusted for any stock split made by the Company from the closing date till the date of purchase of subscription shares by the promoters. The EPS shall also exclude all non-recurring income and expenditure.
- After the occurrences of the IPO, BETL shall have the right to Transfer, the Subscription Shares, or a part thereof, in any manner and to any person that it deems fit free from all restrictions.

***Advertising Agreement dated 21st day of October, 2009 by and between:***

BRAND EQUITY TREATIES LIMITED AND TIMBOR HOME LIMITED

- The Company hereby agrees to place advertisements of the value of ₹ 40200000 (Rupees Four Crore Two Lacs Only), net of agency commission, in the Media (the "Total Commitment"), during the Term.
- The Parties acknowledge that this arrangement between the Parties is primarily for release of advertisement in Print Publications; However, the company shall be entitled to utilize not more than 20% (Twenty Percent) of its Total Commitment towards release of advertisements in Non-print Media. Provided that any unutilized Sub-Term Commitment in Non-Print Media may be utilized by the Company in Print Publications within the Term.



- The Company hereby agrees to make the payment of the sum of ₹ 26800000 (Rupees Two Crore Sixty Eight Lacs Only) ("Down Payment") no later than 3 (Three) days from the date hereof. Such payment shall be made by a pay order or demand draft or cheque drawn on a recognized bank or such other means that is acceptable to BETL.
- Advertisement released by the Company in Media shall be paid for as follows
  - ✓ The Company shall make payment BETL or the relevant Non-print Entity of an amount equivalent to 1/3rd (One Third) of the value of the advertisement released in the Media, in cash, in accordance with the extant policy of BETL or the Non-Print Entity in whose Non-Print Medium such advertisement is being released, as and when the Company releases the advertisement;
  - ✓ The balance 2/3rd (Two Third) of the value of the advertisement released in Media shall be adjusted out of the Down Payment.
- Company hereby authorizes BETL to make payment towards release of advertisements in Non-Print Media utilized in terms of this Agreement, to the respective Non-print entity on behalf of the Company, out of the amount of Down Payment paid by the Company to BETL. Company also hereby authorizes BETL to, directly or through BCCL / Non Print Entity, give credit to Company's advertisement agency, in respect of amount of advertisement released in terms of this agreement.
- The Agreement shall commence from 15th September 2009 and continue for a period of 4 (Four) years, unless terminated earlier by the Parties.

#### **Other Agreements**

##### **Agreement with Reliance Digital Media limited Dated 4<sup>th</sup> January, 2011**

The company has entered into agreement with Reliance Digital Media Limited for conducting the business in Reliance fresh at Jaipur and Surat for period of 36 months each starting from 15<sup>th</sup> February, 2011 on payment of rent of Rs 2,00,000 per month for Jaipur and Rs 2,40,000 for surat respectively. The Lock in period of agreement is for 18 months.

Except as stated elsewhere in this Red Herring Prospectus and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts.

#### **Strategic Partners**

As on the date of filing of the RHP, we have not entered into any strategic partnership or tie up with any company

#### **Financial Partners**

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

## OUR MANAGEMENT

### Board of Directors

The following table sets forth details regarding our Board of Directors:

Sr. No.	Full Name, Age, Father's name, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment	Qualification/ Experience	Other Directorship
1.	<b>Mr. Anant Sureshchandra Maloo</b> <b>Age:</b> 45 Years <b>S/o.</b> Mr. Sureshchandra Maloo <b>Address:</b> B/2, Surajkala, Raj Colony, Near. Naranpura Railway Crossing, Naranpura, Ahmedabad – 380 013 <b>Designation :</b> Chairman & Managing Director <b>Occupation:</b> Business <b>Status:</b> Executive & Non Independent <b>Nationality:</b> Indian <b>DIN:</b> 00058858	01/02/2009 Appointed as Managing Director for 5 years upto January 31, 2014	B.Com, Diploma in International Business. Having experience of 15 years	1. Maloo Building Material Pvt. Ltd 2. Shree Nidhi Cements Pvt Ltd.
2.	<b>Mr. Manan Vidhyapati Patel</b> <b>Age:</b> 38 Years <b>S/o.</b> Mr. Vidhyapati Ratilal Patel <b>Address:</b> 17, Pratima Society, University Road, Navrangpura, Ahmedabad – 380 009 <b>Designation:</b> Director <b>Occupation:</b> Business <b>Status:</b> Executive & Non Independent <b>Nationality:</b> Indian <b>DIN :</b> 00398466	12/03/2004 Liable to retire by rotation	B.E. Electronics. Having experience of 10 years	1. Adgum Pvt Ltd
3.	<b>Mr. Abhijeet Dwarkadas Daga</b> <b>Age:</b> 29 Years <b>S/o.</b> Mr. Dwarkadas Shivdas Daga <b>Address:</b> E/42, Galaxy Tower, S.G. Highway, Bodakdev, Ahmedabad 380 059 <b>Designation:</b> Director <b>Occupation:</b> Business <b>Status:</b> Executive & Non Independent <b>Nationality:</b> Indian <b>DIN:</b> 00395592	01/06/2006 Liable to retire by rotation	B.Com. Having experience of 9 years	1. Maloo Building Material Pvt. Ltd
4.	<b>Mr. Rakesh Surajkumar Bhagat</b> <b>Age:</b> 38 Years <b>S/o.</b> Mr. S. K. Bhagat <b>Address:</b> A-303, Pratishtha Apartment, Behind Grand Bhagwati, Bodakdev, Ahmedabad- 380 054 <b>Occupation:</b> Business <b>Designation:</b> Director	11/06/2010 Liable to retire by rotation	B.Com.	NIL



	<b>Status:</b> Non Executive & Independent <b>Nationality:</b> Indian <b>DIN:</b> 01188701			
5	<b>Mr. Tejdeepsingh Harvindersingh Anand</b> <b>Age:</b> 44 Years <b>S/o.</b> Mr. Harvindersingh Anand <b>Address:</b> No.4, State Bank Senior Officers Society, Naranpura, Ahmedabad- 380 013 <b>Designation:</b> Director <b>Occupation:</b> Business <b>Status:</b> Non Executive & Independent <b>Nationality:</b> Indian <b>DIN:</b> 01188701	06/07/2010 Liable to retire by rotation	B.Com, C.A Inter.	NIL
6	<b>Mr. Rakesh Mohinder Puri</b> <b>Age:</b> 43 Years <b>S/o.</b> Mr. Mohinder Kumar Puri <b>Address:</b> 6, Raja Garden(Extn), Near Alpine Intl. School, Frozpur Road, Ludhiana: 141012 <b>Designation:</b> Profession <b>Status:</b> Non Executive & Independent <b>Nationality:</b> Indian <b>DIN:</b> 02443261	08/08/2010 Liable to retire by rotation	B.com, C.A	NIL

\*Note: None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Red Herring Prospectus.

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

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

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

None of the Promoters Directors or Persons in control of our Company has been or is associated in any Company as Director which have been/ were suspended from being traded on the Bombay Stock Exchange Ltd. & National stock Exchange of India Ltd.

None of the Directors are related to each other.

#### **Brief Profile of our Directors**

For a brief profile of our Promoter Directors and M/s. Maloo Buildings and Materials Private Limited please refer chapter titled "Our Promoters and their Background" beginning on page 139 of the Red Herring Prospectus.



## BRIEF PROFILE OF OUR OTHER DIRECTORS

### Mr. Manan Vidhyapati Patel – (Executive & Non-Independent), Age: 38 Years.

Mr. Manan Vidhyapati Patel is an (Executive & Non - Independent Director) of our Company. He has completed his Bachelor of Engineering with specialisation in Electronics from Bangalore University and has around 10 years of experience in manufacturing of exhibition stall, Outdoor Publicity and has worked with many wood working machines. He has knowledge of furniture material, joinery technology and process. He is responsible for new product development and also for the implementation of the ERP System at the factory. His responsibility is to oversee production, new product and process development and Quality Assurance. He joined the company as director in the year 2004.

### Mr. Abhijeet Dwarkadas Daga – (Executive & Non- Independent), Age: 29 Years.

Mr. Abhijeet Dwarkadas Daga is an (Executive & Non - Independent Director) of our Company. He has completed his Bachelor of Commerce from Gujarat University. He has around 8 years of experience in trading of plywood and timber. He jointed the company as director in the year 2006.

### Mr. Rakesh Surajkumar Bhagat-(Non Executive & Independent), Age: 38 Years

B. Com. From Mumbai University aged 38 years, Director of the Company. He has good knowledge of Finance and Accounts. He has good experience in Trading Business.

### Mr. Tejdeep Singh Harvindarsingh Anand-(Non Executive & Independent), Age: 44 Years

B.Com. from Gujarat University and Inter C.A. from Institute of Chartered Accountants of India, New Delhi, aged 44 years, Director of the Company, He has good knowledge of Finance and Accounts. He has knowledge of General Administration and Personnel Matter.

### Mr. Rakesh Puri-(Non Executive & Independent), Age: 43 Years

B.Com. from Punjab University, Ludhiana and C.A. from Institute of Chartered Accountants of India, New Delhi, aged 43 years, Director of the Company. He has more than 21 years of working experience and has good knowledge of Finance and Accounts. He also has good knowledge of Engineering & Steel Industry.

### Family Relationship between Directors

Name of the Directors	Category of Directorships	Relationship between Directors
NIL	NIL	NIL

## BORROWING POWERS OF THE BOARD

The Board of Directors of our Company has power to borrow up to ₹ 35 crores as per the members' resolution passed in the EGM of our Company held on 24.08.2009. The extract of the resolution of our Company authorizing the Board's borrowing powers is given herein below:

RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 the Company hereby approves and gives consent to the Board of Directors for borrowing moneys from time to time in excess of the paid up capital and free reserves, if any, provided however, that the amount borrowed/to be borrowed and outstanding at any time shall not exceed the sum of ₹ 35,00,00,000/ (Rupees Thirty Five Crores Only) exclusive of the temporary loans obtained from the Company's bankers in the ordinary course of business of the Company.



## COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR/WHOLE TIME DIRECTORS

We have not entered into any service contract with our Managing Director/ Whole-time Directors.

(₹ In Lacs)

Sr. No	Name of Director	Designation	Compensation paid for the FY 2010
1.	Mr. Anant Sureshchandra Maloo	Chairman & Managing Director	₹ 7.2/- per annum

### 1. Terms of appointment and compensation of Mr. Anant Sureshchandra Maloo , Managing Director is as follows:

The remuneration of Mr. Anant Sureshchandra Maloo is ₹ 60,000/- per month with effect from 1<sup>st</sup> April 2009 *vide* resolution passed at the Board Meeting held on 29<sup>th</sup>, January 2009

Name	Mr. Anant Sureshchandra Maloo
Designation	Chairman & Managing Director
Period	5 Years
Salary	Rs 60,000/- per month i.e 7.2 Lacs per annum

### Sitting Fees Payable to Non-Executive Directors

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

### Policy On Disclosures and Internal Procedure For Prevention Of Insider Trading

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

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

### Shareholding of Our Directors

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

Sr. No.	Name of the Directors	No of Equity Shares held	Percentage (%) of holding in our Company
1	Mr. Anant Sureshchandra Maloo	1968750	17.79
2	Mr. Manan Vidhyapati Patel	1125000	10.17
3	Mr. Abhijeet Dwarkadas Daga	875000	7.91

### Interest of Directors

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board, commission payable to our Independent non-executive Directors as well as to the extent of remuneration payable to our executive Directors for their services as executive directors of our Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by



them or their relatives or firms, trusts or other entities/ bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our non-Promoter Directors may also be deemed to be interested in the Equity Shares, if any, out of the present Issue that may be subscribed by and Allotted/transferred to the companies, firms and trusts and other entities/bodies corporate in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Further, save and except as stated otherwise in the Chapters titled *"Business Overview"*, *"Our Promoters and their Background"* and Section titled *"Financial Information"* beginning on pages 90, 139 and 145, of the Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of the Red Herring Prospectus.

### **Interest as to Property**

Except as stated/referred to in the paragraph titled *"Property"* beginning on page 109 of the Red Herring Prospectus, our Directors do not have any interest:

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

### **CHANGE IN THE DIRECTORS IN THE LAST THREE YEARS**

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

<b>Name of Director</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason</b>
Mr. Mukesh Ambalal Patel	07/05/2008	25/05/2010	Resignation
Mr. Rakesh Surajkumar Bhagat	11/06/2010	-	Appointment
Mr. Tejdeep Singh Harvindersingh Anand	11/07/2010	-	Appointment
Mr. Rakesh Mohinder Kumar Puri	08/08/2010	-	Appointment

### **CORPORATE GOVERNANCE**

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

#### **Composition of Board of Directors**

The Board of Directors of our Company has an optimum combination of executive and nonexecutive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has 6 Directors out of which 3 are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr. No	Board of Directors	Designation	Category
1	Mr. Anant Sureshchandra Maloo	Chairman & Managing Director	Non – Independent and Executive Director
2	Mr. Manan Vidhyapati Patel	Director	Non-Independent and Executive Director
3	Mr. Abhijeet Dwarkadas Daga	Director	Non-Independent and Executive Director
4	Mr. Rakesh Surajkumar Bhagat	Director	Independent and Non-Executive Director
5	Mr. Tejdeepsingh Harvindersingh Anand	Director	Independent and Non-Executive Director
6	Mr. Rakesh MohinderKumar Puri	Director	Independent and Non-Executive Director

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

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

**1. Audit Committee:**

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on 08.08.2010.

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

Name of the Director	Designation	Nature of Directorship
<b>Mr. Rakesh M. Puri</b>	<b>Chairman</b>	<b>Independent Director</b>
<b>Mr. Rakesh S. Bhagat</b>	<b>Member</b>	<b>Independent Director</b>
<b>Mr. Tejdeepsingh H. Anand</b>	<b>Member</b>	<b>Independent Director</b>

*Our Company Secretary, Ms. Akanksha Bijawat will act as the secretary of the Committee.*

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

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditors
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to the financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard
- viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- x. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- xi. Discussions with internal auditors on any significant findings and follow up thereon.
- xii. Reviewing internal audit reports and adequacy of the internal control systems.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- xiv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.



## 2. Remuneration Committee

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on 08.08.2010.

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

Name of the Director	Designation	Nature of Directorship
Mr. Tejdeepsingh H. Anand	Chairman	Independent Director
Mr. Rakesh S. Bhagat	Member	Independent Director
Mr. Rakesh M. Puri	Member	Independent Director

*Our Company Secretary, Ms. Akanksha Bijawat will act as the secretary of the Committee.*

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

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

## 3. Shareholders/ Investor's Grievances Committee

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on 08.08.2010 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Tejdeepsingh H. Anand	Chairman	Independent Director
Mr. Rakesh S. Bhagat	Member	Independent Director
Mr. Anant S. Maloo	Member	Managing Director

*Our Company Secretary, Ms. Akanksha Bijawat will act as the secretary of the Committee.*

The terms of reference of our Shareholders'/ Investors Grievance Committee are given below:

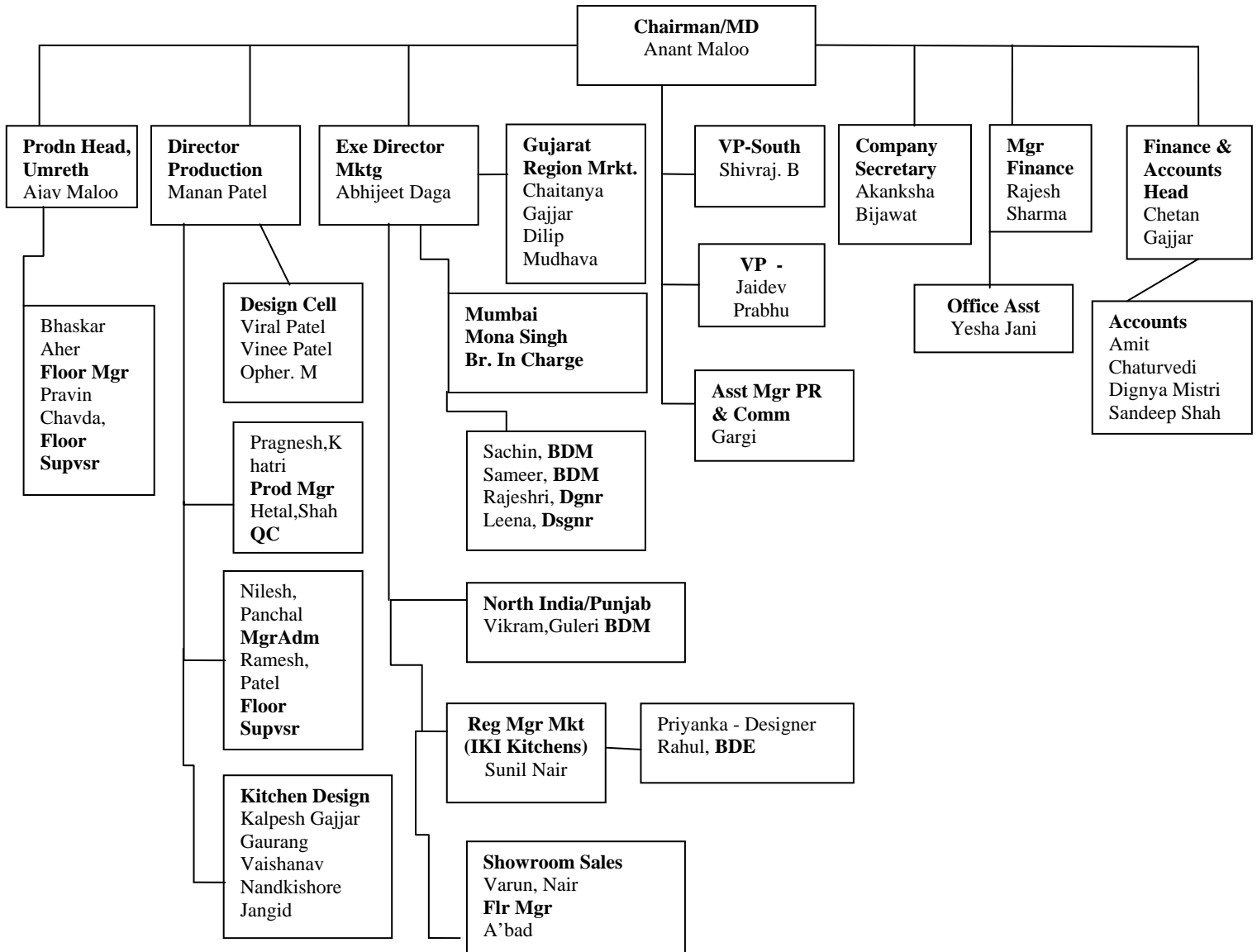


“To allot the Equity Shares of the Company, and to supervise and ensure:

- I. Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;
- II. Redressal of.
- III. shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- IV. Issue of duplicate / split / consolidated share certificates;
- V. Allotment and listing of shares;
- VI. Review of cases for refusal of transfer / transmission of shares and debentures;
- VII. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.”



## ORGANISATION CHART OF OUR COMPANY



### KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

(₹ In Lacs)

Name, Age, Designation and Date of Joining	Qualification	Overall Experience	Details of Previous Employment	Remuneration (Per Annum)
Mr. Ajay Maloo <b>Age:</b> 41 years <b>Designation:</b> Production Head <b>Date of Joining:</b> February 1, 2008	S.Y. B.Com	15 Years	Nil	3.00
Mr. Shiv Raj <b>Age:</b> 32 years <b>Designation:</b> Vice President (South India) <b>Date of Joining:</b> September 1, 2006	B.A. Economics, Master Diploma in Interior and Architecture Design	11 years	M/s. Klassic Inventions Private Limited M/s. Oak Kitchens	3.00
Mr. Jaidev R. Prabhu <b>Age:</b> 43 Years <b>Designation:</b> Vice President <b>Date of Joining:</b> March 1, 2008	B.Sc Physics, Diploma in Materials Management	16 years	M/s. Trueflo Engineers Private Limited, M/s. Bradma of India Limited, M/s. Microwave Communications Limited, M/s. Professional Business Infotech, and M/s. Healthtech Networks Private Limited	3.14
Ms. Akanksha Bijawat <b>Age:</b> 24 Years <b>Designation:</b> Company Secretary <b>Date of Joining:</b> August 8, 2010	B.COM, ACS	2 years	Torrent Pharmaceuticals Ltd.	2.16
Mr. Sunil Nair <b>Age:</b> 34 Years <b>Designation:</b> Regional Manager Marketing <b>Date of Joining:</b> August 1, 2004	B.Com	8 Years	M/s. Mansi Electronics, M/s Citizens Yellow Pages, M/s. Maloo Building Material	3.24
Mr. Chetan Gajjar <b>Age:</b> 43 Years <b>Designation:</b> Head Finance & Accounts <b>Date of Joining:</b> April 1, 2007	B.Com, CA (Intermediate)	16 years	M/s. C.H. Chalishazar & Co, Chartered Accountants, M/s. Vishwakarma Steel & Fabrication Company and M/s Cama Rajputana Club Resort	2.28
Mr. Rajesh Sharma <b>Age:</b> 41 Years <b>Designation:</b> Manager Accounts	B.Com	10 years	M/s. Bharat J. Mehta & Co, Chartered Accountants and M/s. Maloo Building Materials	2.28

<b>Date of Joining:</b> April 1, 2006				
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**Notes:**

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

The details of our Key Managerial Personnel are set out below:

**1. Mr. Ajay Maloo - Production Head**

Mr. Ajay Maloo aged 41 years joined our Company on February 1, 2008. He is Production head. He completed his Second Year Bachelor of Commerce from, Gujarat University in the year 1990. He has more than 15 years of experiences. The remuneration paid to him in the financial year 2010 was ₹ 3.00 Lacs.

**2. Mr. Shiv Raj - Vice President (South India)**

Mr. Shiv Raj aged 32 years joined our Company on September 1, 2006. He is Vice President for South India region. He completed his Bachelor of Arts in Economics from Bangalore University and holds Diploma in Interior and Architecture Design from Bangalore. He has more than 11 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 3.00 Lacs.

**3. Mr. Jaidev R. Prabhu – Vice President**

Mr. Jaidev R. Prabhu aged 43 years joined our Company on March 1, 2008. He is Vice President. He completed his Bachelor of Sciences in Physics from Gujarat University and holds Diploma in Materials Management from Ahmedabad Productivity Council. He has more than 18 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 3.14 Lacs.

**4. Ms. Akanksha Bijawat – Company Secretary**

Ms. Akanksha Bijawat aged 24 years joined our Company on August 08, 2010. She is Company Secretary. She completed her Company Secretary course from The Institute of Company Secretaries of India and also Bachelor of Commerce from Maharashi Dayanand Saraswati University, Ajmer. She has about 2 years of experience. The remuneration to be paid to her for 2010-2011 is ₹ 2.16 Lacs.

**5. Mr. Sunil Nair – Regional Manager Marketing**

Mr. Sunil Nair aged 34 years joined our Company on August 1, 2004. He is Regional Manager Marketing. He completed his Bachelor of Commerce from Gujarat University. He has more than 8 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 3.24 Lacs.

**6. Mr. Chetan Gajjar – Head Finance & Accounts**

Mr. Chetan Gajjar aged 43 years joined our Company on April 1, 2007. He is Manager Accounts. He completed his Bachelor of Commerce from Gujarat University and completed his Chartered Accountant



(Intermediate) from ICAI. He has more than 16 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.28 Lacs.

#### 7. Mr. Rajesh Sharma –Manager Accounts

Mr. Rajesh Sharma aged 40 years joined our Company on April 1, 2006. He is Finance Manager. He completed his Bachelor of Commerce from Gujarat University. He has more than 20 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.28 Lacs.

#### Shareholding of Key Management Personnel

The following is the shareholdings of our Key Managerial Personnel as on date of the Red Herring Prospectus

Sr. No	Name	Number of Shares Held	Percentage (%) Pres-Issue Holding
	NIL	NIL	NIL

#### Relation of the Key Managerial Personnel with our Promoters/ Directors

Except Mr. Ajay Sureshchandar Maloo brother of Mr. Anant Sureshchandra Maloo who is Production Head in our company as stated in “Key Managerial Personnel” on page 136 and none of the other Key Managerial Personnel are related to our Promoters/ Directors.

#### Bonus or Profit Sharing Plan for Key Management Personnel

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in the Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

#### Changes in Key Managerial Personnel in the last three years

Sr. No	Name	Date of Cessation
1	Jyoti Diwan	31/08/2010

#### Employees

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled “Manpower” beginning on page 100 under Chapter “Business Overview” beginning on page 90 of the Red Herring Prospectus.

#### Employee Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

#### Payment or benefits to officers of the Company

Except the remuneration, salary, and other benefits as per the terms of appointment, there are no specific additional payments or benefits offered to the officers of the Company.

## OUR PROMOTERS AND THEIR BACKGROUND

The brief profiles of our Promoters are as follows:

1. Mr. Anant Sureshchandra Maloo
2. Mr. Manan Vidhyapati Patel
3. Mr. Abhijeet Dwarkadas Daga
4. M/s. Maloo Building Material Private Limited

### 1. Mr. Anant Sureshchandra Maloo



**Mr. Anant Sureshchandra Maloo** is an Executive and Non Independent director aged 45 years is the Chairman & Managing Director of our Company. He has completed his Bachelor of Commerce from Gujarat University and holds Post Graduate Diploma in International Business from International Management Institute (IMI) New Delhi. He has more than 15 years of experience in the field of Cement, Building Materials and Timber Industry. He was vice chairman for Indian Institute of Interior Design (Ahmedabad Chapter). His vision and expertise is a vital importance and is crucial for further growth and expansion of our Company.

Identification	Details
Voter ID Number	GJ/11/067/867262
Driving License Number	464479-AR
PAN	ACSPM2958D
Passport Number	F1689439
Name of the Bank	STATE BANK OF INDIA
Bank Account Number	10090565958

### 2. Mr. Manan Vidhyapati Patel



**Mr. Manan Vidhyapati Patel** is an Executive and Non-Independent director aged 36 years is the Director of our Company. He is Bachelor of Engineering with specialization in Electronics from Bangalore University. After Graduation started a Digital Printing Venture in the year 1997 under the name Rita Art Studio and later joined IKI Timbor Pvt Ltd (Timbor Home Limited) in the year 2004. His methodic thought process make him leader in new product induction, process development and quality assurance.

Identification	Details
Voter ID Number	Not Available

Driving License Number	7239/90
PAN	AFJPP0452P
Passport Number	F5712381
Name of the Bank	Standard Chartered Bank
Bank Account Number	233-1-008980-2

### 3. Mr. Abhijeet Dwarkadas Daga



**Mr. Abhijeet Dwarkadas Daga** is an Executive and Non- Independent director aged 29 years is the Director of our Company. He is Bachelor of Commerce from Gujarat University. He has more than Nine years of experience in Trading of Plywood and Timber

Identification	Details
Voter ID Number	LPZ8170953
Driving License Number	A/3357/R/97
PAN	AHTPD5397B
Passport Number	A9674085
Name of the Bank	Union Bank of India
Bank Account Number	60289

### 4. M/s. Maloo Building Material Private Limited

<b>Date of Incorporation</b>	19 <sup>th</sup> April, 1993
<b>CIN</b>	U65990GJ1993PTC019303
<b>Registered Office</b>	A-2, Harikrupa Apartment, Nr. Naranpura Rly. Crossing, Naranpura, Ahmedabad
<b>PAN</b>	AABCM0619D
<b>Bank Account</b>	Union Bank of India
<b>Nature of Business</b>	Trading of Building Material

Our Company was incorporated as Maloo Investments Private Limited on April 19, 1993 under the Provisions of the Companies Act, 1956. The Name of our Company was subsequently changed to Maloo Building Materials Private Limited on January 7<sup>th</sup>, 1998. Mr. Anant Sureshchandra Maloo is also Promoter of M/s. Maloo Building Material Private Limited and hold 79.28 % of shareholding of the Company out of 100%(i.e. 189820 Equity Shares)

The Brief financials are given below: **MBMPL**

(₹ In Lacs)

Particulars for the year Ended	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	311.92	7.57	3.78	25.17	3.35
Profit/ Loss After Tax	2.41	(10.28)	(14.82)	(14.68)	(6.70)
Equity Share Capital	16.58	16.58	16.58	16.58	18.98
Reserves & Surplus (Excluding Revaluation Reserves)	16.11	5.83	0.00	(23.68)	27.22



- The Company is not a listed Company.
- The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited (NSE), on which our Company proposes to list its Equity Shares at the time of filing of the Draft Red Herring Prospectus.

Further, our Promoters have not been identified as a willful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

#### **Relationship of Promoters with each other and with our Directors**

Mr. Anant Sureshchandra Maloo is also Promoter of M/s. Maloo Building Material Private Limited and hold 79.28 % of shareholding of the Company

Mr. Abhijeet Dwarkadas Daga is a Director of M/s. Maloo Building Material Private Limited and does not hold any shares.

#### **Interest of Promoters**

Our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, our Promoters, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees constituted thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

The promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives and benefit accruing from their holding Directorship in the Company. The promoters are not interested in any property acquired by the Company within two years from the date of Red Herring Prospectus or proposed to be acquired. The promoters are not interested in any loan or advances given by the Company, neither are they beneficiary of any such loans or advances except as disclosed elsewhere in this Red Herring Prospectus and in the section on 'Related Party Transaction' under the chapter "Financial Information beginning on page 145. Except as stated above and as stated in the section titled 'Our Management' beginning on page 126 and "Our Promoters and their Background" beginning on page 139, have no other interest in our Company

#### **Details of Group Company are as follows:**

##### **1. M/s. Maloo Building Material Pvt. Ltd.**

The Company was incorporated as Maloo Investments Private Limited on April 19, 1993 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Maloo Building Materials Private Limited on January 7<sup>th</sup>, 1998.

Particulars of Shareholding of more than 15 %:

<b>Particulars</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>	<b>Designation</b>
Mr. Anant S.Maloo	150495	79.28	Promoter - Director



The Brief financials are given below: MBMPL

(₹ In Lacs)

Particulars for the year Ended	March 31, 2010	March 31, 2009	March 31, 2008
Total Income	3.35	25.17	3.78
Profit/ Loss After Tax	(6.70)	(14.68)	(14.82)
Equity Share Capital	18.98	16.58	16.58
Reserves & Surplus (Excluding Revaluation Reserves)	27.22	(23.68)	0.00

- The Company is not a listed Company.
- The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## 2. M/s. Shreenidhi Cements Pvt. Limited

The Company was incorporated as Shreenidhi Cements Limited on 1<sup>st</sup> September, 1992 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Shreenidhi Cements Private Limited on 19<sup>th</sup> December, 2008.

Particulars of Shareholding of more than 15 %:

Particulars	No. of Shares	% of Shareholding	Designation
Mr. Anant S.Maloo	26010	52.02	Director

The Brief financials are given below: SCPL

(₹ In Lacs)

Particulars for the year Ended	March 31, 2010	March 31, 2009	March 31, 2008
Total Income	0.00	0.00	0.20
Profit/ Loss After Tax	0.00	0.00	0.20
Equity Share Capital	5.00	5.00	5.00
Reserves & Surplus (Excluding Revaluation Reserves)	0.20	0.20	0.20

- The Company is not a listed Company.
- The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.
- There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

## Listed companies in the Promoter Group

As on the date of this Red Herring Prospectus, there are no listed companies in the Promoter Group

## Sales or Purchases between companies in the Promoter Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under *Related Party Transactions*, "Annexure 10" beginning on page 157 under Chapter titled "Auditors'





*Report And Financial Information of our Company” beginning on page no. 145 of the Red Herring Prospectus.*

#### **PAYMENT OR BENEFIT TO OUR PROMOTERS**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Red Herring Prospectus or is intended to be given by us except as mentioned/referred to in this Chapter, and the paragraph titled *“Property” on page 109 in the Chapters titled “Business Overview” on page 90 and Related Party Transactions, “Annexure 10” beginning on page 157 under Chapter titled “Auditors’ Report And Financial Information of our Company” of the Red Herring Prospectus.*

#### **RELATED PARTY TRANSACTIONS**

The details of related party transactions have been disclosed as a part of the Auditors Report. For details please refer to *Related Party Transactions, “Annexure 10” beginning on page 157 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page no. 145 of the Red Herring Prospectus.*



## **DIVIDEND POLICY**

Dividends, other than interim dividends, will be declared at the AGM of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Financial Year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, of our Company in the future. Our Company has not paid any Dividend till date.



## SECTION V – FINANCIAL INFORMATION

### AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

#### The Board of Directors

#### Timbor Home Limited

A-2, Harikrupa Apartment,  
Near Naranpura,  
Railway Crossing,  
Naranpura,  
Ahmedabad - 380013

Dear Sirs,

We have examined the annexed financial information of Timbor Home Limited ('The Company') for the Financial Year ended 31<sup>st</sup> March, 2010, 2009, 2008, 2007 2006 and Nine Months ended on 31<sup>st</sup> December 2010.

In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations, 2009") issued by Securities and Exchange Board of India ('SEBI') on August 26, 2009 and Our terms of reference with the Company dated 30<sup>th</sup> July 2009 in connection with the Initial Public Offer of Equity Shares by the Company.

We report that the restated assets and liabilities of the Company as at 31<sup>st</sup> March, 2010, 2009, 2008, 2007, 2006 and Nine Months ended 31<sup>st</sup> December 2010 are as set out in '**Annexure 1**' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in '**Annexure 3**' and Notes to the statements of Assets & Liabilities and Profit & Loss Account appearing in '**Annexure 4**' to this report.

We report that the restated profits of the Company as for the Financial Years ended 31<sup>st</sup> March, 2010, 2009, 2008, 2007, 2006 and Nine Months ended 31<sup>st</sup> December 2010 are as set out in '**Annexure 2**' to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in '**Annexure 3**' and Notes to the Statements of Assets & Liabilities and Profit & Loss Account appearing in '**Annexure 4**' to this report.

We have examined the following financial information relating to the Company proposed to be included in the Red Herring Prospectus, as approved by the Board of Directors and annexed to this report.

- i. Statement of Cash Flow appearing as '**Annexure 5**' to this report
- ii. Accounting Ratios appearing as '**Annexure 6**' to this report;
- iii. Statement of Unsecured Loans appearing as '**Annexure 7**' to this report.
- iv. Statement of Debtors appearing as '**Annexure 8**' to this report.
- v. Statement of loans and advances appearing as '**Annexure 9**' to this report.
- vi. Details of transactions with the Related Parties appearing as '**Annexure 10**' to this report;
- vii. Statement of Dividend appearing as '**Annexure 11**' to this report;
- viii. Capitalisation Statement appearing as '**Annexure 12**' to this report;
- ix. Statement of Secured Loans appearing as '**Annexure 13**' to this report.
- x. Details of contingent Liabilities appearing as 'Annexure 14' to this report.
- xi. Statement of Tax Shelter appearing as '**Annexure 15**' to this report.



- xii. Details of Qualifications appearing in Audit Report appearing as '**Annexure 16**' to this report.
- xiii. Statement of Other Income appearing as '**Annexure 17**' to this report.
- xiv. Statement of Investments appearing as '**Annexure 18**' to this report.

In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure 3 to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and we have complied with the Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the Timbor Home Limited, We hereby confirm that Statements of Assets and Liabilities and Profit and Loss or any other financial information have been incorporated in the offer document after making the following adjustments, wherever quantification is possible:

1. Adjustments/ rectification for all incorrect accounting practices or failures to make provisions or other adjustments which resulted in audit qualifications except for those audit qualification whose financial impact not ascertainable or not quantifiable.
2. Material amounts relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred.
3. Where there has been a change in accounting policy, the profits or losses of the earlier years (required to be shown in the offer document) and of the year in which the change in the accounting policy has taken place has been recomputed to reflect what the profits or losses of those years would have been if an uniform accounting policy was followed in each of those years.
4. If an incorrect accounting policy is followed, the re-computation of the financial statements has been in accordance with correct accounting policies.
5. Statement of profit or loss discloses the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.

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

For, **Arvind A. Thakkar & Co.**  
**Chartered Accountants**

**Arvind A. Thakkar**  
**Proprietor**  
**Membership No. 014334**  
FRN No. 100571W  
Date: 21.03.2011

**SUMMARY STATEMENT OF RESTATED ASSETS AND LIABILITIES AS RESTATED**
*(₹ In Lacs)*

Particulars	For the Year / Period ended on					
	31/12/2010	31/03/2010	31/03/2009	31/03/2008	31/03/2007	31/03/2006
<b>FIXED ASSETS</b>						
Gross Block	1377.4	1078.48	704.70	360.77	156.50	129.03
Less: Depreciation	140.14	89.81	49.31	21.35	11.02	4.68
Net Block(A)	1237.26	988.67	655.39	339.42	145.48	124.35
Capital Work in Progress	0.00	0.00	0.00	19.06	4.63	3.46
<b>Net Block Total (A)</b>	<b>1237.26</b>	<b>988.67</b>	<b>655.39</b>	<b>358.48</b>	<b>150.11</b>	<b>127.81</b>
<b>INVESTMENTS (B)</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.15</b>	<b>0.15</b>
<b>CURRENT ASSETS LOANS AND ADVANCES</b>						
Inventories	1535.02	1133.97	1119.47	630.54	295.50	170.52
Sundry Debtors	3719.58	1869.98	643.68	567.69	245.33	213.73
Cash and Bank Balances	30.76	30.22	30.76	53.34	7.44	18.10
Loans and Advances	981.85	916.80	673.56	552.75	54.09	0.66
<b>Total (C)</b>	<b>6267.21</b>	<b>3950.97</b>	<b>2467.47</b>	<b>1804.32</b>	<b>602.36</b>	<b>403.01</b>
<b>LIABILITIES AND PROVISIONS</b>						
Secured Loans	2759.86	1913.76	1087.52	646.38	251.58	93.36
Unsecured Loans	308.22	301.40	652.29	632.14	171.91	118.92
Current Liabilities and Provision	2160.09	746.47	495.41	567.92	252.82	282.52
Deferred Tax Liability	98.45	98.45	46.80	19.27	11.31	6.59
<b>Total (D)</b>	<b>5326.62</b>	<b>3060.08</b>	<b>2282.02</b>	<b>1865.71</b>	<b>687.62</b>	<b>501.39</b>
<b>NET WORTH (A+B+C-D)</b>	<b>2178.33</b>	<b>1880.04</b>	<b>841.32</b>	<b>297.57</b>	<b>65.00</b>	<b>29.58</b>
<b>REPRESENTED BY:</b>						
Share Capital	1106.65	857.98	211.67	200.00	40.00	20.00
Share Application Money	0.00	268.00	0.00	0.00	0.00	0.00
Share Premium	381.59	362.27	408.58	0.00	0.00	0.00
Reserve & Surplus	705.37	398.99	221.07	98.21	26.28	11.50
<b>Total</b>	<b>2193.61</b>	<b>1887.25</b>	<b>841.32</b>	<b>298.21</b>	<b>66.28</b>	<b>31.50</b>
Less: Miscellaneous Expenditure Not Written Off	15.28	7.20	0.00	0.64	1.28	1.92
<b>Net Worth</b>	<b>2178.33</b>	<b>1880.04</b>	<b>841.32</b>	<b>297.57</b>	<b>65.00</b>	<b>29.58</b>

Note: During the year 2008-09, received Share Application Money from Writers & Publishers Ltd. ₹ 20/- and Mr. Chandrakant P. Dodia ₹ 20/- (Total ₹ 40)

During the year 2009-10, received Share Application Money from Brand Equity Treaties Ltd. ₹ 2734720/-



During the year 2010-11, Company has issued Equity Sharers to Writers & Publishers, Mr. Chandrakant P. Dodia and Brand Equity Treaties Ltd - ₹ 2734760/- against Share Application Money

**ANNEXURE 2**

**SUMMARY STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT AS RESTATED**

(₹ In Lacs)

Particulars	For the Year / Period ended on					
	31/12/2010	31/03/2010	31/03/2009	31/03/2008	31/03/2007	31/03/2006
<b><u>INCOME</u></b>						
<b>SALES:</b>						
Net Sales	5482.97	5104.13	2667.89	1957.65	1014.51	682.36
<b>Total</b>	<b>5482.97</b>	<b>5104.13</b>	<b>2667.89</b>	<b>1957.65</b>	<b>1014.51</b>	<b>682.36</b>
Other Income	1.54	0.98	14.96	14.13	2.88	4.80
Increase /(Decrease) in stock	23.34	3.99	119.55	42.68	15.55	10.32
<b>Total</b>	<b>24.88</b>	<b>4.97</b>	<b>134.51</b>	<b>56.81</b>	<b>18.43</b>	<b>15.12</b>
<b>Total Income</b>	<b>5507.85</b>	<b>5109.10</b>	<b>2802.40</b>	<b>2014.46</b>	<b>1032.94</b>	<b>697.48</b>
<b><u>EXPENDITURE:</u></b>						
Raw Material Consumed/Purchases	4440.18	3979.98	1971.73	1522.65	797.88	566.91
Other Manufacturing Exp.	152.79	97.88	55.08	64.76	63.86	42.30
Selling, General & Admin Expenses	325.98	486.09	440.08	240.73	109.13	55.33
Interest and Financial Charges	230.84	189.29	118.30	54.44	30.59	11.44
Preliminary Exp. Written Off	1.35	0.80	0.64	0.64	0.64	0.64
Depreciation	50.33	40.49	27.97	10.33	6.34	3.66
<b>Total Expenses</b>	<b>5201.47</b>	<b>4794.53</b>	<b>2613.80</b>	<b>1893.56</b>	<b>1008.44</b>	<b>680.28</b>
Profit (Loss) before Taxes	<b>306.38</b>	<b>314.57</b>	<b>188.60</b>	<b>120.90</b>	<b>24.50</b>	<b>17.20</b>
<b>Provision for Taxation:</b>						
Income Tax	0.00	85.00	36.40	39.18	4.00	1.58
Fringe Benefit Tax	0.00	0.00	1.81	1.83	0.99	0.75
<b>Total</b>	<b>306.38</b>	<b>229.57</b>	<b>150.39</b>	<b>79.89</b>	<b>19.51</b>	<b>14.87</b>
Less: Deferred Tax	0.00	51.65	27.53	7.96	4.73	4.34
<b>Profit (Loss) after Taxes</b>	<b>306.38</b>	<b>177.92</b>	<b>122.86</b>	<b>71.93</b>	<b>14.78</b>	<b>10.53</b>
<b>Total</b>	<b>306.38</b>	<b>177.92</b>	<b>122.86</b>	<b>71.93</b>	<b>14.78</b>	<b>10.53</b>
Balance Brought Forward from Last Year	398.99	221.07	98.21	26.28	11.50	0.97
<b>Net Profit/ (Loss) carried over to Balance Sheet</b>	<b>705.37</b>	<b>398.99</b>	<b>221.07</b>	<b>98.21</b>	<b>26.28</b>	<b>11.50</b>

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****a) Accounting Conventions****I) Basis of Preparation of Financial Statements**

The Financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

**II) Use of Estimates**

The preparation Financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the Half Year financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**b) Fixed Assets****I) Tangible:**

Fixed Assets are stated at cost of acquisition/ construction (less Accumulated Depreciations). Cost comprises of purchase price interest and other attributable cost of bringing the asset to its working conditions for its intended use.

**II) Intangible**

Intangible assets are recorded at the consideration paid for acquisition.

**c) Depreciation****I) Tangible**

Depreciation on fixed assets is provided on straight line method on pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

**II) Intangible**

Trade Mark cost are amortised over a period of five years.

**d) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at Cost or Net realizable value whichever is lower. All other investments are classified as long term Investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

**e) Inventories**

Finished goods (including for trade), work-in-process, semi-finished goods for trade, Raw materials, Stores and Spares are valued at cost or net realizable value whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever



necessary, based on the past experience of the Company. Cost is computed on Weighted Average basis.

**f) Foreign Currency Translations :**

- (i) All Transactions in foreign currency are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the Half year.

**g) Revenue Recognition**

**I) Sales**

The Company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the buyer, which is usually when the goods are dispatched to customers.

**II) Other Income**

Other incomes are accounted on accrual basis.

**h) Retirement Benefits**

**1) Short Term Employees Benefit**

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit and Loss Account of the years in which the related services are rendered.

**2) Post Employment Benefit**

- a) Defined Contribution Plans – Monthly contributions to the Provident Fund is charged to Profit and Loss Account and deposited with the Provident Fund Authority on monthly basis.
- b) Defined Benefit Plans: - None of the employee is eligible for payment of gratuity. Leave Encashment is paid as and when due.

**3) Termination Benefit**

Termination Benefits are charged to Profit and Loss Account in the year ended of accrual.

**i) Miscellaneous Expenditure**

Preliminary expenses are being written off over a period of five years. ₹1663575/- is Nine Months ended expenses shown in the Balance Sheet as on 31<sup>st</sup> December, 2010

**j) Borrowing Cost**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as 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.

**k) Provisions and Contingent Liabilities**

The companies recognise a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A disclosure for a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of sources. Where there is a



possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

l) Taxes on Income

“Tax Expenses comprises of Current Tax, Deferred Taxes and Fringe Benefit Tax. Provision for Income Taxes is made on the Taxable Income at the rate applicable to the relevant Assessment Year. Fringe Benefit Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act. Deferred Income Tax are recognized for the future tax consequences attributable to timing differences between the Financial Statements determination of Income and their recognition for the Tax purpose. The effect on Deferred Tax Assets and Liabilities of a Change in Tax Rates is recognized in Income using the Tax Rates and Tax Law that have been enacted or substantively enacted by the Balance Sheets Date”

Deferred Tax Assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company is showing Nine Months ended (31<sup>st</sup> December, 2010) Financial Statements so the Provision for Taxation and Deferred Tax is not require during the Financial Year 2010-11

- m) The Company assesses at each Balance Sheet Date whether there is any indication that an Assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the Assets. If such recoverable amount of the Assets or there recoverable amount of the Cash generating unit to which the Assets belongs is less then its carrying amount, the carrying amount is reduced to its recoverable amount, the reduction is treated as an impairment Loss and is recognized in the Profit & Loss Account. If at the Balance Sheet Date there is an indication that if previously assessed impairment Loss no longer exists, the recoverable amount is reassessed and the Assets is reflected at the recoverable amount.

**ANNEXURE 4**

**Notes on Accounts**

- 1) In the opinion of the Board of Directors, Current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet as each Year Ended and Nine Months ended 31<sup>st</sup> December, 2010

- 2) Micro, Small, Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

- 3) Balances of the Unsecured Loans, Debtors, Creditors and Loans & Advances are subject to confirmation.
- 4) The Company has only one Segment view as primary Segment i.e., “Wooden Panel Door, Wooden Cabinet and Other Wooden Furniture. And the Company operates only in India and hence Company has only one Secondary Segments

- 5) In our opinion, the each year ended and Nine Months ended (31<sup>st</sup> December, 2010) Balance Sheet and Profit & Loss account comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- 6) On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors is disqualified as on each year ended 31<sup>st</sup> March and Nine Months ended 31<sup>st</sup> December, 2010 from being appointed as director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 7) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India in case of the Balance Sheet of the state of affairs of the Company as at each year ended 31<sup>st</sup> March and Nine Months ended 31<sup>st</sup> December, 2010 and in case of Profit & Loss Accounts of the Profit of the Company for the each year ended and Nine Months ended on that Date.

**ANNEXURE- 5**

**SUMMARY OF CASH FLOW STATEMENT, AS RESTATED**

(₹ In Lacs)

CASH FLOW STATEMENT		For the Period Ended					
	PARTICULARS	31/12/10	31/03/10	31/03/09	31/03/08	31/03/07	31/03/06
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
	Net Profit / (loss) before Tax and Extra ordinary items	306.38	314.57	188.60	120.90	24.50	17.20
	Adjustment for						
	Add :Depreciation	50.33	40.49	27.97	10.33	6.34	3.66
	Interest	230.84	189.29	118.30	54.44	30.59	11.44
	Miscellaneous Expenditure w/o	1.35	0.80	0.64	0.64	0.64	0.64
	Loss on Sale of Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
	Less :Interest/Dividend/Rent received	0.92	0.48	5.17	2.33	0.13	0.02
	Profit on sale of Investments	0.00	0.00	0.00	0.00	0.00	0.00
	Profit on sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Prior Period Item	0.00	0.00	0.00	0.00	0.00	0.00
	Operating profit before Working Capital Changes	587.98	<b>544.67</b>	<b>330.34</b>	<b>183.98</b>	<b>61.94</b>	<b>32.92</b>
	Adjustment for :						
	(Increase)/Decrease in Inventories	(401.04)	(14.51)	(488.93)	(335.04)	(124.98)	(123.90)
	(Increase)/Decrease in Trade Receivables	(1849.60)	(1226.30)	(75.99)	(322.36)	(31.60)	(191.22)
	(Increase)/Decrease in Loans & Advances	(65.06)	(243.23)	(120.81)	(498.66)	(53.43)	(0.34)
	Increase/(Decrease) in Trade Payables	1413.62	251.06	(72.51)	315.10	(29.70)	252.70



	Cash generated from Operations	(314.10)	(688.31)	(427.90)	(656.98)	(177.77)	(29.84)
	Less : Fringe Benefit Tax	0.00	0.00	1.81	1.83	0.99	0.75
	Direct Taxes Paid	0.00	85.00	36.40	39.18	4.00	1.58
	<b>Net Cash from Operating Activities (A)</b>	<b>(314.10)</b>	<b>(773.31)</b>	<b>(466.11)</b>	<b>(697.99)</b>	<b>(182.76)</b>	<b>(32.17)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
	Purchase of Fixed Assets	(298.92)	(373.78)	(343.93)	(204.27)	(27.47)	(66.34)
	(Increase)/Decrease in Capital Work in Progress	0.00	0.00	19.06	(14.43)	(1.17)	(2.41)
	Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
	Interest/Dividend/Rent received	0.92	0.48	5.17	2.33	0.13	0.02
	(Increase/Decrease) in Public Issue & Preliminary Expenditure	0.00	(8.00)	0.00	0.00	0.00	0.00
	Sale of Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Expenditure	(9.43)	0.00	0.00	0.00	0.00	0.00
	Purchase of investment	0.00	0.00	0.00	(0.33)	0.00	0.00
	<b>Net Cash used in Investing Activities (B)</b>	<b>(307.43)</b>	<b>(381.30)</b>	<b>(319.70)</b>	<b>(216.70)</b>	<b>(28.51)</b>	<b>(68.73)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
	Increase in Secured Borrowings	846.10	826.24	441.14	394.80	158.22	112.25
	Increase in Unsecured Borrowings	6.82	(350.89)	20.15	460.23	52.99	-
	Equity Share	248.67	646.31	11.67	160.00	20.00	4.00
	Share Premium	19.32	(46.31)	408.58	0.00	0.00	-
	Share Application Money	(268.00)	268.00	0.00	0.00	0.00	0.00
	Interest Paid	(230.84)	(189.29)	(118.30)	(54.44)	(30.59)	(11.44)
	<b>Net Cash received from Financing Activities (C)</b>	<b>622.07</b>	<b>1154.06</b>	<b>763.24</b>	<b>960.59</b>	<b>200.62</b>	<b>104.81</b>
	<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>0.54</b>	<b>(0.55)</b>	<b>(22.57)</b>	<b>45.90</b>	<b>(10.65)</b>	<b>3.90</b>
	Cash & Cash Equivalents-Opening Balance	30.22	30.77	53.34	7.44	18.09	14.19
	Cash & Cash Equivalents-Closing Balance	<b>30.76</b>	<b>30.22</b>	<b>30.77</b>	<b>53.34</b>	<b>7.44</b>	<b>18.09</b>

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard AS- 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

#### **ANNEXURE- 6**

#### **STATEMENT OF ACCOUNTING RATIOS:**

Particulars	December	March	March	March	March	March
	31, 2010	31, 2010	31, 2009	31, 2008	31, 2007	31, 2006
Earning per Share (EPS) (₹)	3.07	3.07	5.97	4.51	3.94	5.26
Net Asset Value (NAV) (₹per	19.68	21.91	39.75	14.88	16.25	14.79



share)						
Return on Net Worth (RONW) (%)	14.06	9.46	14.60	24.17	22.74	35.60
Weighted average No. of Equity Shares outstanding during the year/period	9994322	5,802,248	2,057,163	1,593,485	375,342	200,000
No. of Equity Shares outstanding at the end of the year/period	11066580	8,579,788	2,116,736	2,000,000	400,000	200,000

**Notes:**

1. The Ratios has been computed as below:

$$\text{Earning Per Share (₹)} = \frac{\text{Net Profit After Tax}}{\text{Weighted Average Number of Equity Shares outstanding during the year/period}}$$

$$\text{Net Asset Value Per Share (₹)} = \frac{\text{Net Worth Excluding Revaluation Reserve}}{\text{Number of Equity Shares outstanding as at the year/period}}$$

$$\text{Return on Net Worth(\%)} = \frac{\text{Net Profit After Tax} \times 100}{\text{Net Worth Excluding Revaluation Reserve}}$$

2. The above ratios have been computed on the basis of the Restated Financial Information for the respective year/period
3. Earnings per Share is computed in accordance with Accounting Standard (AS) 20 "Earnings Per Share". EPS and RONW for the period ended 31 march 2006 and 30 June 2010 are not annualised.

**ANNEXURE- 7**

**STATEMENT OF UNSECURED LOAN**

(₹ In Lacs)

Particulars	For the Year/Period ended on					
	31.12.2010	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
<b>Loan from Promoters :</b>						
Mr.Anant S. Maloo	94.16	68.97	62.53	11.50	28.03	25.91
Mr.Manan V. Patel	0.55	3.04	1.53	8.99	2.06	10.37
Mr.Abhijeet D. Daga	20.08	20.08	20.08	0.00	14.82	4.32
	<b>114.79</b>	<b>92.09</b>	<b>84.14</b>	<b>20.49</b>	<b>44.91</b>	<b>40.60</b>
<b>Loan from Promoter Group :</b>						
Maloo Building Material Pvt Ltd	2.92	2.92	21.24	6.03	14.60	14.60
	<b>2.92</b>	<b>2.92</b>	<b>21.24</b>	<b>6.03</b>	<b>14.60</b>	<b>14.60</b>
<b>Loan from Directors :</b>						
Mr. Mukesh Patel	60.26	88.26	0.10	0.10	0.00	0.00
	<b>60.26</b>	<b>88.26</b>	<b>0.10</b>	<b>0.10</b>	<b>0.00</b>	<b>0.00</b>
<b>Loan from Members :</b>						

Mr. Jagdish Patel	26.45	19.45	6.90	0.00	19.72	10.00
Mr. Ajay S. Maloo	0.00	0.00	0.00	0.32	0.50	0.50
Mrs. Nikol Khurana	0.00	0.00	0.00	0.61	0.61	0.61
Mr. Himansubhai Shah	0.00	0.00	0.00	0.00	0.00	5.00
K. Maheshkumar	0.00	0.00	0.00	5.25	5.25	5.25
Mr. Pravin Khera	0.00	0.00	0.00	1.00	1.00	1.00
Mr. Yogesh Sagar	0.00	0.00	0.00	0.00	0.00	5.00
Mr. Ashit Hemant Shah *	0.00	0.00	0.00	2.00	2.00	0.00
Mr. Darshan G.Mehta *	0.00	0.00	0.00	3.00	3.00	0.00
Mr. N.K.Shah *	0.00	0.00	0.00	0.49	0.49	0.00
Mr. Pankaj J. Dalal *	0.00	0.00	0.00	0.00	4.95	0.00
Mrs. Rasila N. Shah *	0.00	0.00	0.00	2.42	2.50	0.00
Mrs. Kanan P.Shah *	0.00	0.00	0.00	1.00	0.00	0.00
Mr. K.P.Shah *	0.00	0.00	0.00	2.00	0.00	0.00
Mr. Mithun Jamkhedkar *	0.00	0.00	0.00	0.98	0.00	0.00
Mrs. Priyanka Sahastrabojani *	0.00	0.00	0.00	0.98	0.00	0.00
Mr. Pruthvish J. Dalal *	0.00	0.00	0.00	0.99	0.00	0.00
Mr. Rajendra Gajjar *	0.00	0.00	0.00	0.98	0.00	0.00
Mrs. Shital M. Shah *	0.00	0.00	0.00	1.99	0.00	0.00
Mrs. Urvi V. Parikh *	0.00	0.00	0.00	0.98	0.00	0.00
	<b>26.45</b>	<b>19.45</b>	<b>6.90</b>	<b>24.99</b>	<b>40.02</b>	<b>27.36</b>
<b>Loan from Others :</b>						
Maloo Polymers Ltd	6.00	6.00	6.00	0.00	21.50	0.00
Suraj Marketing Corporation	0.00	0.00	0.00	0.00	13.30	13.30
Namya Enterprise	0.00	0.00	0.00	16.90	16.90	16.90
Haks Enterprise *	0.00	0.00	0.00	1.95	2.00	0.00
N.P.Logistics Inc.	0.00	0.00	0.00	0.25	0.25	0.00
R.D. Shah Finance Corporation *	0.00	0.00	0.00	3.00	3.00	0.00
R.D. Shah Investments Corp *	0.00	0.00	0.00	1.31	1.13	0.00
Pannalal Nathani Sons	0.00	0.00	0.00	5.00	0.00	0.00
Bennet Colman & Co. * *	0.00	0.00	500.00	500.00	0.00	0.00
Felder UK Ltd ***	90.89	80.77				
	<b>96.89</b>	<b>86.77</b>	<b>506.00</b>	<b>528.41</b>	<b>58.08</b>	<b>30.20</b>
<b>Trade Deposits :#</b>						
Arrow Global Pvt Ltd	2.00	2.00	2.00	2.00	2.00	0.00
City Conect Services Pvt Ltd	4.66	4.66	4.66	6.15	6.15	6.15
Mahalaxmi Interiors & Innovations	0.00	5.00	0.00	0.00	0.00	0.00
Windoer Marketing	0.25	0.25	0.25	0.00	0.00	0.00
Umang Sodagar	0.00	0.00	0.00	1.96	6.15	0.00
Challa Interior Pvt Ltd	0.00	0.00	7.00	7.00	0.00	0.00
Pyramid Construction & Interir	0.00	0.00	5.00	5.00	0.00	0.00



Shri Radhika Trust	0.00	0.00	0.00	15.00	0.00	0.00
Van Marketing	0.00	0.00	15.00	15.00	0.00	0.00
	<b>6.91</b>	<b>11.91</b>	<b>33.91</b>	<b>52.11</b>	<b>14.30</b>	<b>6.15</b>
<b>TOTAL</b>	<b>308.22</b>	<b>301.40</b>	<b>652.29</b>	<b>632.13</b>	<b>171.91</b>	<b>118.91</b>

**NOTES :**

\* Company has paid Interest (18%) on Unsecured Loans taken

\*\* Issued 0% 1 (one) Unsecured Fully Convertible Debentures for ₹5 Crore during the year 2007-08 and converted in Equity Shares during the year 2009-10

\*\*\* **Terms and Conditions for repayment of Unsecured loan by Felder UK Ltd for purchase of Machinery**

Rate of Interest - 16%

Loan Amount- ₹ 45.92 Lacs Repayable in 24 monthly installments commencing from 30th May 2009

Loan Amount- ₹ 33.77 Lacs Repayable in 24 monthly installments commencing from 20th March 2010

Loan Amount- ₹ 21.05 Lacs Repayable in 12 monthly installments commencing from 20th March 2010

**# Terms & conditions for Repayment of Trade Deposits:**

City Connect Services Pvt. Ltd. carries interest @ 12% per annum

All the Trade Deposits are Repayable on Termination of Contract.

Except the above Unsecured Loan are Interest Free Loans.

All the loans except of Felder UK Ltd and Trade Deposits are Repayable on demand

**There has not been any reschedulment in the past of loans taken by the company**

**ANNEXURE- 8**

**STATEMENTS OF SUNDRY DEBTORS**

(₹ In Lacs)

	Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
	(Unsecured, considered good unless otherwise stated)						
<b>A.</b>	<b>Debt outstanding for a period exceeding six months</b>						
	Subsidiaries / Group companies		-	-	-	-	-
	Others	833.26	766.28	40.65	145.02	41.70	22.37
	Debt outstanding for a period not exceeding six months						
	Others	2886.32	1,103.71	603.03	422.67	203.63	191.36
	Subsidiaries / Group companies		-	-	-	-	-
	Others		-	-	-	-	-
<b>B.</b>	<b>Other debts</b>						
	<b>Total (A+B)</b>	<b>3719.58</b>	<b>1,869.99</b>	<b>643.68</b>	<b>567.69</b>	<b>245.33</b>	<b>213.73</b>
	<b>Includes:</b>						
<b>I</b>	<b>Receivables from subsidiaries/group companies</b>						
		-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



II	Receivables from other related parties						
		-	-	-	-	-	-
	<b>Total (I+II)</b>	-	-	-	-	-	-

**Note : Reasons for increase in Sundry Debtors by Rs 1849.60 lacs for the period ended on 31<sup>st</sup> December,2010 compared to financial year 2010**

The company had achieved turnover of Rs 5482.97 lacs for the nine months period against the turnover of Rs 5104.13 lacs for the financial year 2010. On an annualised basis the company has achieved growth of 43.22 % and in order to achieve the growth the company has given more credit to the customers who are buying the timbor wood. The average credit period which was 90 days was extended to 120 days .

#### **ANNEXURE- 9**

#### **STATEMENT OF LOANS AND ADVANCES**

(₹ In Lacs)

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
<b>(Unsecured and considered good, unless otherwise stated)</b>						
Advances recoverable in cash or kind						
Advance for advertisement	547.59	620.94	562.20	414.45		
Advance to associate concerns	37.49	26.07	11.51	30.95		
Deposits	40.92	22.40	13.08	0.37		
Prepaid Expenses	-	1.50	1.88	1.33	0.55	
Advance for Taxes	40.05	27.93	20.43	8.19	2.73	
other Advances	138.94	66.45	64.47	97.46	22.43	0.66
Advance for Machinery	137.63	148.17			28.38	
Advance to supplier	39.24	3.33				
<b>Total</b>	<b>981.86</b>	<b>916.79</b>	<b>673.57</b>	<b>552.75</b>	<b>54.09</b>	<b>0.66</b>

#### **Notes:**

Advance to associate concerns are recall at any point of time

#### **ANNEXURE- 10**

#### **STATEMENT OF RELATED PARTIES TRANSACTIONS**

(₹ In Lacs)

Particulars	December 31, 2010	March 31, 2010	March 2009	March 2008	March 2007	March 2006
<b>(A) TRANSACTIONS :</b>						
<b>01. Sale of Goods</b>						
Maloo Tradelink Pvt Ltd	4.64	335.05	3.39	2.66	19.62	-
Maloo Building Material Pvt Ltd	1.27	1.66	-	0.46	-	0.17
Suraj Marketing Corporation	-	-	-	-	6.10	-
Shri Laxmi Timber Industries	-	-	-	0.34	-	-
	<b>5.91</b>	<b>336.71</b>	<b>3.39</b>	<b>3.46</b>	<b>25.72</b>	<b>0.17</b>
<b>02. Purchase of Goods</b>						
Maloo Tradelink Pvt Ltd	31.39	15.44	30.79	404.95	33.94	32.99

Suraj Marketing Corpoation	-	29.96	-	-	19.39	7.30
Shri Laxmi Timber Industries	-	-	-	10.16	4.61	0.99
Maloo Building Material Pvt Ltd	-	-	-	-	-	18.93
Shri. Santram Wood Industries	-	-	30.62	80.15	-	-
	<b>31.39</b>	<b>45.40</b>	<b>61.41</b>	<b>495.26</b>	<b>57.94</b>	<b>60.21</b>
<b>Purchase of Capital Goods</b>	-	-	-	-	-	-
Shri. Santram Wood Industries	-	-	-	100.00	-	-
	-	-	-	<b>100.00</b>	-	-
<b>Loan Taken</b>						
Maloo Polymers Ltd	-	-	6.00	-	21.50	-
Suraj Marketing Corporation	-	-	-	-	-	6.00
Mr. Ajay Maloo	-	-	-	-	-	-
MR. Abhijeet Daga	20.00	23.72	20.75	-	11.55	5.00
Mr. Anant maloo	85.94	60.38	52.78	16.00	2.50	24.35
Mr. Manan Patel	0.25	5.10	2.74	11.45	-	-
Mr. Mukesh Patel	-	88.16	-	0.10	-	-
Maloo Building Material Pvt Ltd	-	4.38	20.70	12.95	42.51	5.00
	<b>106.19</b>	<b>181.74</b>	<b>82.27</b>	<b>40.50</b>	<b>78.06</b>	<b>40.35</b>
<b>Loan Repaid</b>						
MR. Abhijeet Daga	-	23.72	<b>0.28</b>	-	<b>1.06</b>	<b>0.68</b>
Mr. Anant maloo	-	25.19	<b>1.76</b>	<b>4.95</b>	<b>0.38</b>	<b>0.22</b>
Mr. Manan Patel	-	3.60	<b>10.20</b>	<b>2.47</b>	<b>1.32</b>	<b>1.74</b>
Shri Santram Wood Industries	-	70.00	-	-	-	-
Mr. Ajay Maloo	-	0.32	-	<b>0.18</b>	-	-
Maloo Building Material Pvt Ltd	-	2.00	-	<b>21.52</b>	<b>67.01</b>	-
Suraj Marketing Corportion	-	-	-	<b>31.05</b>	-	-
Mr. Mukesh Patel	28.00	-	-	-	-	-
Maloo Polymers Limited	-	-	-	<b>21.50</b>	-	-
	<b>28.00</b>	<b>124.83</b>	<b>12.24</b>	<b>81.67</b>	<b>69.77</b>	<b>2.64</b>
<b>Advances for Expenses</b>						
MR. Abhijeet Daga	-	-	-	0.39	-	-
Mr. Ajay Maloo	-	0.17	-	-	-	-
	-	<b>0.17</b>	-	<b>0.39</b>	-	-
<b>Loan Given</b>						
Maloo Polymers Ltd	-	-	-	1.00	-	-
Suraj Marketing Corporation	15.42	17.42	34.32	26.95	-	-
Incy Cybertech Private Limited	-	-	-	-	3.00	-
	<b>15.42</b>	<b>17.42</b>	<b>34.32</b>	<b>27.95</b>	<b>3.00</b>	-



<b><u>Loan Received Back</u></b>						
Incy Cybertech Private Limited	-	-	3.00	-	-	-
Suraj Marketing Corporation	4.00	2.87	49.76	-	-	-
Maloo Polymers Limited	-	-	1.00	-	-	-
	<b>4.00</b>	<b>2.87</b>	<b>50.76</b>	-	-	-
<b><u>Remuneration</u></b>						
Mr. Anant S. Maloo	5.40	7.20	7.00	4.80	4.80	1.85
Mr. Manan V. Patel	3.60	4.80	4.80	4.80	4.80	3.00
Mr. Abhijeet D. Daga	3.60	4.80	4.50	3.00	-	-
Mrs. Miral Patel	1.80	2.40	1.60	-	-	-
Mr. Ajay S. Maloo	2.25	3.00	2.90	0.30	-	-
	<b>16.65</b>	<b>22.20</b>	<b>20.80</b>	<b>12.90</b>	<b>9.60</b>	<b>4.85</b>
<b><u>(B) BALANCE AT THE YEAR END :</u></b>						
<b><u>01. Creditors for Goods/Expenses</u></b>						
Maloo Tradelink Pvt Ltd	18.55	23.38	27.38	75.01	26.21	18.13
Maloo Building Material Pvt Ltd	-	-	-	(8.29)	(7.83)	16.67
Suraj Marketing Corporation	-	0.01	-	-	17.75	5.45
Shri Laxmi Timber Industries	6.14	6.14	6.14	9.14	2.32	0.21
Shri Santram Wood Industries	-	-	58.16	48.58	-	-
	<b>24.69</b>	<b>29.53</b>	<b>91.68</b>	<b>124.44</b>	<b>38.45</b>	<b>40.46</b>
<b><u>02. Creditors for Capital Goods</u></b>						
Shri Santram Wood Industries	-	-	100.00	100.00	-	-
	-	-	<b>100.00</b>	<b>100.00</b>	-	-
<b><u>03. Loan Taken</u></b>						
Maloo Polymers Ltd	6.00	6.00	6.00	-	21.50	-
Suraj Marketing Corporation	-	-	-	-	13.30	13.30
Mr. Ajay Maloo	-	-	-	0.32	0.50	0.50
MR. Abhijeet Daga	20.08	20.08	20.08	-	14.82	4.32
Mr. Anant maloo	94.16	68.97	62.52	11.50	28.03	25.91
Mr. Manan Patel	0.55	3.03	1.53	8.99	2.06	10.38
Mr. Mukesh Patel	60.26	88.26	0.10	0.10	-	-
Maloo Building Material Pvt Ltd	2.92	2.92	21.24	6.03	14.60	14.60
	<b>183.97</b>	<b>189.26</b>	<b>111.47</b>	<b>26.94</b>	<b>94.81</b>	<b>69.01</b>
<b><u>04. Advances for Expenses</u></b>						
Mr. Abhijeet Daga	-	-	-	0.39	-	-
Mr. Ajay Maloo	0.17	-	-	-	-	-
	<b>0.17</b>	-	-	<b>0.39</b>	-	-
<b><u>05. Loan Given</u></b>						
Maloo Polymers Ltd	-	-	-	1.00	-	-
Suraj Marketing Corporation	37.49	26.07	11.51	26.95	-	-

Incy Cybertech Private Limited	-	-	-	3.00	3.00	
Mr. Ajay Maloo	-	-	-	-	-	-
	<b>37.49</b>	<b>26.07</b>	<b>11.51</b>	<b>30.95</b>	<b>3.00</b>	-
<b>06. Equity Contribution</b>						
Mr. Abhijeet Daga	-	-	-	<b>29.50</b>	<b>5.00</b>	-
Mr. Anant Maloo	-	<b>28.75</b>	-	<b>31.00</b>	<b>8.00</b>	-
Mr Manan Patel	-	-	-	<b>30.50</b>	<b>7.00</b>	-
Maloo Building Material Pvt Ltd	-	<b>71.25</b>	-	<b>49.00</b>	-	-
	-	<b>100.00</b>	-	<b>140.00</b>	<b>20.00</b>	-

Note : The above Related Party Transaction Statement has been prepared as per the Accounting Standard AS - 18 on Related Party Transaction Statement issued by The Institute of Chartered Accountants of India.

**Note:**

Registered Office is taken on Lease by Timbor Home Limited representing Mr. Anant Sureshchandra Maloo from Mr. Sureshchandra Maloo (Father of Mr. Anant Maloo) at ₹1.00 for Nine years and being a negligible amount calculated in terms of Lacs and hence the same has not been included in the Table.

**ANNEXURE – 11**

**STATEMENT OF DIVIDEND PAID/ PAYABLE**

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Dividend proposed/paid		-	-	-		-

**ANNEXURE – 12**

**STATEMENT OF CAPITALISATION STATEMENT**

(₹ in Lacs)

Particulars	Pre Issue as at December 31, 2010	Pre Issue as at March 31, 2010	Post issue
<b>Debts</b>			
Short term debts	2323.49	1,519.60	[•]
Long term debts	744.59	695.57	[•]
<b>Total Debts</b>	<b>3068.08</b>	<b>2,215.17</b>	[•]
<b>Shareholders' Fund</b>			
Share capital (includes application money)	1106.65	1,125.98	[•]
Reserves and surplus	1086.96	761.26	[•]
<b>Total Shareholders Funds</b>	<b>2193.61</b>	<b>1,887.24</b>	[•]
<b>Total Debts/Shareholders Funds (Ratio)</b>	<b>1.40</b>	<b>1.17</b>	[•]

**Notes:**

1. The above ratio has been calculated on the basis of financial information of the Company.
2. The post-issue capitalisation statement cannot be calculated at this stage.

**ANNEXURE – 13**
**STATEMENT OF SECURED LOANS**
*(₹ in Lacs)*

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Term Loan						
Union Bank of India	489.45	523.97	175.04	80.85	67.12	33.86
Working Capital						
Union Bank of India	2015.27	1,218.20	714.36	446.38	160.01	59.50
Other Loans	139.10	138.35	136.55	99.05	24.46	
Vehicle Loan	116.04	33.25	61.56	20.10		
<b>Total</b>	<b>2759.86</b>	<b>1,913.77</b>	<b>1,087.51</b>	<b>646.38</b>	<b>251.59</b>	<b>93.36</b>

**Notes:**

The assets charges as Securities against Term loan and working from Union Bank of India are:

1. Hypothecation of Raw Material/ Semi-Finished Goods/ Finished Goods not older than 90 days, Book debts not older than 90 days

2 Personal Guarantee of a) Mr. Anant Maloo 2) Manan Patel 3) Abhijeet Daga 4) Mukesh Patel 5) Ajay Maloo 6 ) Sureshchandra Maloo

3. Below Immovable Properties are mortgaged

a) The Factory land at 401, 402 at GIDC Umreth admeasuring 10,361 Sq Mtrs

b) Flat No. A/2 Harikrupa Apts, Naranpura, adm 165 Sq yards at FP No 57/1/A TPS No. 3, Mouje Usmanpura, Ahmedabad

c) The Factory land & Building at 7 Subhalaxmi Ind Est S. No. 435/P Mouje Moraiya, Ta. Sanand Dist. Ahmedabad adm 3780 Sq yard

d) Flat No. B/902 Bageshree Tower, Opp Fun Republic Cinema, Nr. Iskon Cross Road, S G Highway, Ahmedabad adm. About 300 Sq yards at FP No. 191

**4. There has not been any reschedulment in the past of loans taken by the company**

**ANNEXURE – 14**
**STATEMENT OF CONTINGENT LIABILITIES**
*(₹ in Lacs)*

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**ANNEXURE – 15**
**STATEMENT OF TAX SHELTERS**
*(₹ in Lacs)*

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Profit before tax as per profit and loss account	314.57	188.60	120.90	24.50	17.20

<b>Tax rate (including surcharge and education cess)</b>	<b>33.99%</b>	<b>33.99%</b>	<b>33.99%</b>	<b>33.66%</b>	<b>33.66%</b>
<b>Notional tax as per tax rate on profits(A)</b>	<b>106.92</b>	<b>64.11</b>	<b>41.09</b>	<b>8.25</b>	<b>5.79</b>
<b><u>Tax Adjustments</u></b>					
<b><u>Permanent Difference</u></b>					
Donation	0.55		0.08	0.13	0.26
Disallowance u/s. 40a(ia)					
Website Development expenses		0.60	0.60	0.60	0.60
Land Transfer fees disallowance			0.53		
ROC Fees disallowance			4.18	0.62	
Sales Tax penalty	0.03	0.08	0.01	0.01	0.01
Preliminary expenses written off	0.80				
Expenses relating to issue of shares	0.01	0.01			
<b>Total Permanent Difference (B)</b>	<b>1.39</b>	<b>0.69</b>	<b>5.40</b>	<b>1.36</b>	<b>0.87</b>
<b><u>Timing Difference</u></b>					
Loss / (Profit) on sale of fixed asset					
Disallowance u/s. 40a(ia)	0.27	3.34	2.19	0.09	0.37
Allowance u/s. 40a(ia)		(2.19)			
Depreciation - including unabsorbed depn	(86.66)	(81.66)	(23.41)	(14.04)	(14.40)
Preliminary / Pre Operative Expenses W/o					
Disallowance u/s. 43B					
Allowance u/s. 43B					
Disallowance u/s. 40A(7) - Provision for gratuity					
<b>Total Timing Difference (C)</b>	<b>(86.39)</b>	<b>(80.51)</b>	<b>(21.22)</b>	<b>(13.95)</b>	<b>(14.03)</b>
<b>Business Losses not set off in past years (D)</b>					(3.03)
<b>Total Adjustments (E) = (B+C+D)</b>	<b>(85.00)</b>	<b>(79.82)</b>	<b>(15.82)</b>	<b>(12.59)</b>	<b>(16.19)</b>
<b>Tax Expenses / (savings) thereon (F)=(E)*Tax rate</b>	<b>(28.89)</b>	<b>(27.13)</b>	<b>(5.38)</b>	<b>(4.24)</b>	<b>(5.45)</b>
<b>Tax payable as per normal provisions (other than 115JB) of the Act (G)</b>	<b>78.03</b>	<b>36.98</b>	<b>35.71</b>	<b>4.01</b>	<b>0.34</b>
<b>MAT tax rate (H)</b>	<b>16.99%</b>	<b>11.33%</b>	<b>11.33%</b>	<b>11.220%</b>	<b>8.415%</b>
<b>Tax under MAT (I)</b>	<b>53.45</b>	<b>21.37</b>	<b>13.70</b>	<b>2.75</b>	<b>1.45</b>
<b>Tax payable for the year maximum of (G) or (I)</b>	<b>78.03</b>	<b>36.98</b>	<b>35.71</b>	<b>4.01</b>	<b>1.45</b>
<b>Interest under section 234B &amp; 234C (As per income tax return)</b>	<b>13.30</b>	<b>2.76</b>		<b>0.22</b>	
Short/excess provision adjusted – Interest	(13.30)	(2.76)		(0.22)	
<b>Total Tax Payable</b>	<b>91.33</b>	<b>39.74</b>	<b>35.71</b>	<b>4.23</b>	<b>1.45</b>



**Notes:**

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'.

**ANNEXURE – 16**

**Details of Qualification**

No Liability in respect of present liability or future payments of gratuity and Leave Encashment has been ascertained and provided in the accounts. This is in contravention to with accounting standard 15 issued by The Institute of Chartered Accountants of India in respect of accounting for Retirement Benefits.

**ANNEXURE – 17**

**STATEMENT OF OTHER INCOME**

(₹ in Lacs)

Summary of Adjustments	For the Year Period Ended on					
	31/12/2010	31/03/2010	31/03/200	31/03/200	31/03/200	31/03/20
<b>Sales Tax set off</b>						4.19
Discount						0.59
Interest Received	0.92	0.48	5.17	2.33	0.13	0.02
Insurance Claim		0.04	1.35	0.20	0.03	
Packing & Forwarding Charges					2.71	
Other Misc Income	0.55	0.46	0.41	0.45	0.01	0.00
Commission Income			8.03	11.15		
Tution Fees	0.07					
<b>TOTAL</b>	<b>1.54</b>	<b>0.98</b>	<b>14.96</b>	<b>14.13</b>	<b>2.88</b>	<b>4.80</b>

**ANNEXURE – 18**

**STATEMENT OF INVESTMENTS**

(₹ in Lacs)

Particulars	December	March	March	March	March	March
	31, 2010	31, 2010	31, 2009	31, 2008	31, 2007	31, 2006
(Trade Unquoted and Long-Term)- Investment						
NSC	0.15	0.15	0.15	0.15	0.15	0.15
Nutan Nagrik Sahakari Bank Ltd.	0.33	0.33	0.33	0.33	-	-
Total	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.15</b>	<b>0.15</b>

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There are no changes in accounting policies of the Company in the last three years.



## FINANCIAL INFORMATION OF GROUP COMPANIES

Following are our Group Companies:

### 1. M/s. Maloo Building Materials Private Limited

<b>Date of Incorporation</b>	April 19 <sup>th</sup> , 1993
<b>CIN</b>	U65990GJ1993PTC019303
<b>Registered Office</b>	A-2 Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad.-380013, Gujarat
<b>Bank Account</b>	44910201010180372 , Union Bank of India
<b>PAN</b>	AABCM0619D
<b>Nature of Business</b>	Trading of Building Material

The Company was incorporated as Maloo Investments Private Limited on April 19, 1993 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Maloo Building Materials Private Limited on January 7<sup>th</sup>, 1998.

#### Particulars of Shareholding of more than 15 %:

Sr.	Name	Designation	No. of Shares	Shareholding
01	Mr. Anant Sureshchandra Maloo	Promoter - Director	150495	79.28 %
02	Mr. Abhijeet Dwarkadas Daga	Director	NIL	NIL

The Brief financials are given below:

(₹ In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	3.78	25.17	3.35
Profit/ Loss After Tax	(14.82)	(14.68)	(6.70)
Equity Share Capital	16.58	16.58	18.98
Reserves & Surplus (Excluding Revaluation Reserves)	0.00	(23.68)	27.22
NAV	10.00	10.00	24.34

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

### 2. M/s. Shreenidhi Cements Private Limited

<b>Date of Incorporation</b>	September 1 <sup>st</sup> , 1992
<b>CIN</b>	U02000GJ1992PTC018231
<b>Registered Office</b>	A-2 Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad.-380013, Gujarat
<b>PAN</b>	AAICS7964G
<b>Nature of Business</b>	Trading of Cement

The Company was incorporated as Shreenidhi Cements Limited on 1<sup>st</sup> September, 1992 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Shreenidhi Cements Private Limited on 19<sup>th</sup> December, 2008.

#### Particulars of Shareholding of more than 15 %:

Sr.	Name	Designation	No. of Shares	Shareholding
01	Mr. Anant Sureshchandra Maloo	Director	26010	52.02 %

The Brief financials are given below:

(₹ In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	0.00	0.00	0.00
Profit/ Loss After Tax	0.20	0.00	0.00
Equity Share Capital	5.00	5.00	5.00
Reserves & Surplus (Excluding Revaluation Reserves)	0.20	0.20	0.20
NAV	10.40	10.40	10.40

The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against the Company.

#### DETAILS ABOUT COMPANIES/ FIRMS FROM WHICH PROMOTERS HAVE DISASSOCIATED DURING THE LAST THREE YEARS

Our Promoters Mr. Anant S. Maloo and Mr. Abhijeet D. Daga has been disassociated from the under mentioned Companies during the last 3 years:

Name of the Promoter	Name of the Company	Designation	Year of Disassociation	Reason
Mr. Anant S. Maloo	Incy Cybertech Pvt. Ltd.	Director	September 2009	Amalgamation with M. S. Khurana Builders Pvt. Ltd.
Mr. Anant S. Maloo	Maloo Polymers Limited	Director/promoter	March 2009	Company has been taken over by another group
Mr. Abhijeet D. Daga	Maruti Project Consultants P.Ltd.	Director	March 2010	Resigned from the Board

#### Common Pursuits

There are no common pursuits in the business of the Company and other Companies promoted by the Promoters other than as described in the Red Herring Prospectus.

#### Sales or Purchases between Companies in the Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of the Company, except those transactions mentioned under *Related Party Transactions*, "Annexure 10" beginning on page 157 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus.

#### Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under *Related Party Transactions*, "Annexure 10" beginning on page 157 under Chapter titled "Auditors' Report and Financial Information of our Company" there is no business interest amongst Group Companies.



### **Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph *Changes in Significant Accounting Policies, "Annexure 3" beginning on page 149 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus*, there have been no changes in the accounting policies in the last three years.





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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the *Section titled 'Risk Factors' beginning on page 12 of the Red Herring Prospectus*, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31<sup>st</sup> of each year.

### Business Overview

Our Company was incorporated as Inside Outside India Dot Com Private Limited on May 11, 2000 under the Provisions of the Companies Act, 1956. The Name of our Company was subsequently changed to IKI Timbor Private Limited on February 8, 2005. The name of our company was further changed to Timbor Home Private Limited with effect from May 22, 2007 and subsequently converted into Public Limited Company on June 13, 2009 vide a Fresh Certificate of Incorporation on becoming a Public Limited Company.

The Company has three manufacturing units one located at Changodar, In Ahmedabad District, the second unit at Vatva GIDC, Ahmedabad, and the third at Umreth, in Anand district. The total manufacturing facility of the company amounts to 2,00,000 Sq feet. The kitchen & furniture manufacturing is based at the Changodar unit, the Stainless Steel Kitchen baskets and accessories is manufactured at the Vatva Unit while manufacturing of doors, wood treatments and storage is based at Umreth. The company now manufactures kitchen- kitchen components, furniture, door- door frames and Kitchen baskets and accessories. The Company operates as a manufacturer-retailer having a Pan-India presence with more than 80 exclusive stores of kitchen, door and furniture retail outlets operating on Franchise Model.

Our company markets its products under the brand names Timbor Cucine- Modular Kitchens, Timbor Doors- Doors & Door Frames, Timbor Home- Home Furniture, and IKI Kitchens- Hi-end kitchen solutions using 'Hettich' Hardware and accessories.

Our Products includes the following:

- Modular Kitchens
- Home Furniture
- Doors
- Treated and Kiln Dried Lumber:

### 1. Modular Kitchens

#### Brand: Timbor Cucine

Our Company is one of the largest retailer and manufacturer of Modular Kitchens in India. Our modular kitchens are durable, affordable yet trendy. Our Modular kitchens under the brand name TIMBOR CUCINE range starts from as low a ₹ 25000, as a result even common people can now afford Modular kitchens. We have designed our own software which helps the customer to have a look on his/her kitchen before he orders for the same. The software is shared with all the exclusive stores and the company trains all for the use of the software. It is completely customized product for the customer, the cost, the material, hardware, cabinetry all can be chose by the customer. Kitchen design in fact is done by the customer himself. They can pick and choose from the various options available for them in the material, hardware, cabinetry as per their requirements.



## **Brand: IKI Kitchens**

Our Company has introduced a new concept and trend giving kitchen a great look through Hi-end modular kitchens with customized solutions, world class cabinetry, shutters, storage and hardware along with Red Dot award winning fittings which are made available to Indian consumers solely using Hettich hardware and accessories. Hitech Kitchens bring in international concepts to Indian households. They are state-of-art products which are targeted to hi-end markets.

### **1. Home Furniture:**

Entire Home Furniture Requirements made available to the consumer under the same roof in Solid Teak Wood. Wide range of furniture including sofa's, centre tables, side tables, TV units, chairs, bath vanities, beds, wardrobes, bedside units, dressers, bar units, dining tables, dining chairs, kids bedroom units etc are included under the Home Furniture section. All the ranges have wide options made available to customer in terms of designs, colors, fabric, dimensions, capacity etc. Our Company can do all this for the customer due to our in-house manufacturing facilities. Our Home Furniture Range is marketed under the brand "Timbor Home". Our Company also does customization in terms of size and individual requirements and preferences in wardrobes, which isn't made available by other players. Our manufacturing capacity at helps us in customization at no extra cost for the customer. All our products are designed and made in-house.

### **2. Doors**

Our Company have set-up a new facility at Umreth for manufacturing doors and all this is offered with customization in terms of size and thickness for the customers. The Doors also come under wide range of designs and types we also manufacture ecofriendly doors with Sinewave/Honeycomb Core. Even Door Frames customized for the Customers are available in Solid Wood. They are pre-finished with primer and polish coats.

### **3. Treated and Kiln Dried Lumber**

The company has a large timber drying and chemical treatment facility. The company converts logs of soft and hardwood into kiln dried sawn timber to be used in the construction and joinery industry. The products of the company are sold to traders and actual users.

The Company is a manufacturer of Modular Kitchen, Doors, Home Furniture and Treated and Kiln Timber.

Modular Kitchen in India has created a revolution for all the homemakers. Kitchen is that special place in every home meant to explore culinary passions and especially in India, everything related to Food is revered. In India, where food is assigned divine properties, Kitchen is more than a place to cook, Kitchens in India are considered Altars. As Home Décor and Home Interiors are gaining importance, we find new concepts in Kitchen Décor making waves. One such modern concept of Modular Kitchen is gaining immense popularity in India.

Modular Kitchens are based on functional practicality and the onset of Modular Kitchen in the furniture market of India have spelt a consciousness that even kitchens can have a style statement and at the same time be comfortable and elegant.

The real estate boom in India has seen the construction of a large number of flats and similar residential units in major cities, such as Delhi, Kolkata, Mumbai, Chennai, Bangalore, Hyderabad, Gurgaon and Pune. The depleting land resources on the one hand and the increasing requirements of growing population and migrants on the other have forced builders to keep the size of a functional kitchen to the minimum. Faced with the problems of small kitchen size and less storage area, homeowners have found the perfect answer in a modular kitchen. A modular kitchen is composed of different modules of cabinets which can easily be integrated or disintegrated, thus increasing portability and effective use of available



space. Its increasing popularity over the years has brought many international brands in India and today one can find a great variety in modular kitchen design within a reasonable price range.

Home furniture impeccably crafted out of wood suit every home, from traditional to more contemporary styles. Indian craftsmen are known for creating timeless home furniture that is practical, beautiful and stays relevant even as the taste and lifestyle changes. Renowned artisans manufacture extensive range of wooden furniture and accessories for bathroom, living room,

The use of genuine wood brings out the subtle variations in color and texture of these furniture and creates a winning combination of comfort and classic style. A selection of beautiful colors & styles are available in home furniture like cabinets, wardrobes to wooden boxes and of course beds. Designed for maximum comfort and built for sturdy durability, home furniture made of wood are a fine addition to the interior or exterior of the home.

### OPPORTUNITIES AND THREATS

Our Company continues to focus on its strategy of being an ace player in the industry through concern efforts in identifying and evaluating the opportunities and acting upon them. The Management is also constantly monitoring the potential threats and taking necessary. The Company works actively in pursuing the opportunities in its existing geographical and at the same time to build a foothold in new geographies. Growing Construction across the India is driving the Demand for Life style Kitchens and Wooden Furniture.

Strength of the Company are:

- Good Face in the Market with Brand Image for quality product.
- Practices good Quality Management Systems.
- Successful development of wide verity of Products.

The Industries are in unorganized sector account for a substantially large share in Raw Material purchases. This effects the price determination for Raw Material and margin of the Company adversely.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Product wise Financial performance of the Company is summarized below:

Product	December 2010	% of Total Sales	2009–2010	% of Total Sales	2008-09	% of Total Sales
Modular Kitchen	3272.56	60%	1122.90	22%	640.18	24%
Home Furniture	698.10	13%	918.74	18%	426.79	16%
Door and Joinery	923.12	17%	765.62	15%	480.13	18%
Treated and Kiln Lumber	589.19	10%	2296.85	45%	1120.32	42%

(₹ In Lacs)

### OUTLOOK:

The Company continues to be significant player in the Modular Kitchen and Home Furniture Market and continuously innovating new value added product. The Company is striving for reduction of wastages and improvement of profitability through implementation of Quality Management System. The Company is focusing on Sales and demand in the near future with growing construction across india.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company's objective with regard to internal control and their adequacy has been to safeguard the assets and interest of the Company. Proper policies, procedures, checks and balances bring in discipline



in day to day function and determine the accuracy and reliability of Data. The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

#### **FINANCIAL AND OPERATIONAL PERFORMANCE:**

During the Financial year 2009-10, the Company achieved a revenue growth of 90% and production growth of 72% over the previous year. The increase in Profit after Tax is 55% over the previous year. Operational Income of ₹ 5104.13 Lacs during the financial year 2009-10 over the previous year of ₹ 2667.89 Lacs

#### **HUMAN RESOURCES:**

The Management regards the human Resource as its prime source and the contribution from the employees has continuously been harnessed from attainment of corporate goals. A planned management process was pursued to move towards performance-based culture. The Company attached utmost priority to HRD with a focus on knowledge, skill and behavioral aspect to meet the challenges of change.

#### **CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable law and regulations. Actual result might differ materially from those either expressed or implied.

#### **Significant developments subsequent to the period ended 31<sup>st</sup> December 2010:**

The company has signed agreement with Reliance Digital Media Limited for carrying out business of Modular Kitchen and Furniture in Reliance Fresh Store at Jaipur and Surat in the month of January, 2011. Pursuant to agreement the company has opened the store in Reliance Fresh on April 20, 2011

#### **Key factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

- General economic and business conditions in India;
- Our ability to successfully implement our growth strategy and expansion plans and to successfully achieve the objectives for which funds are being raised through this Issue;
- Prices of raw materials we consume and the products we produce.
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceedings in which our Company is or may be involved; and
- The loss or shutdown of operations of our Company at any times due to strike or labour unrest or any other reason.

#### **Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the years ended 31st March, 2006, 2007, 2008, 2009 & 2010.

#### **OUR SIGNIFICANT ACCOUNTING POLICIES**

For Significant accounting policies please refer *Significant Accounting Policies*, "Annexure 3" beginning on page 149 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus.



## Revenue Break Up

(₹ In Lacs)

Particulars	December 2010	March 2010	March 2009	March 2008
Sale of Manufacturing Goods	4098.21	2642.30	1404.43	990.43
Sale of Trading Goods (Related to Manufacturing goods)	104.97	154.31	146.19	83.53
Sale of Trading Goods (Not Related to Manufacturing goods)	1279.79	2307.51	1116.81	883.69
<b>Total</b>	<b>5482.97</b>	<b>5104.12</b>	<b>2667.43</b>	<b>1957.65</b>

## RESULTS OF OUR OPERATIONS

(₹ In Lacs)

Particulars	31.12.2010	31.03.2010	31.03.2009	31.03.2008
<b>INCOME :</b>				
Income from Operations	5482.97	5104.13	2667.89	1957.65
Increase/Decrease (%)		91.32	35.04	92.97
Other Income	1.54	0.97	14.95	14.13
Increase/Decrease (%)		-93.51	10.66	390.62
Stock	23.34	3.99	119.55	42.68
Increase/Decrease (%)		-96.66	180.11	174.47
<b>Total Income</b>	<b>5507.85</b>	<b>5109.09</b>	<b>2802.39</b>	<b>2014.46</b>
Increase/Decrease (%)		82.31	37.92	95.02
<b>EXPENDITURE :</b>				
Operation Cost	4592.96	3979.97	1971.73	1522.65
Increase/Decrease (%)		101.85	29.49	90.84
Staff Cost	93.71	109.92	78.30	47.40
Increase/Decrease (%)		40.38	65.19	11.19
Administrative and Other Expenses	233.63	474.85	417.5	258.73
Increase/Decrease (%)		13.74	61.37	97.49
<b>Total Expenditure</b>	<b>4920.30</b>	<b>4564.74</b>	<b>2467.53</b>	<b>1828.78</b>
Increase/Decrease (%)		84.99	34.93	88.24
<b>PBIDT</b>	<b>587.55</b>	<b>544.35</b>	<b>334.86</b>	<b>185.06</b>
Increase/Decrease (%)		62.56	80.95	202.31
<b>Depreciation</b>	<b>50.33</b>	<b>40.49</b>	<b>27.96</b>	<b>10.33</b>



Increase/Decrease (%)		44.81	170.67	63.19
<b>Profit before Interest and Tax</b>	<b>537.22</b>	<b>503.86</b>	<b>306.90</b>	<b>174.73</b>
Increase/Decrease (%)		64.18	75.64	218.30
<b>Interest and Financial Charges</b>	230.84	189.29	118.30	54.44
Increase/Decrease (%)		60.01	117.30	77.97
<b>Profit after Interest and before restatement</b>	306.38	314.57	188.60	120.29
Increase/Decrease (%)		66.79	56.79	393.51
<b>Profit before Taxation as restated</b>	<b>306.38</b>	<b>314.57</b>	<b>188.60</b>	<b>120.29</b>
Increase/Decrease (%)		66.79	56.79	393.51
<b>Tax Effect</b>	<b>0</b>	<b>136.65</b>	<b>74.31</b>	<b>39.79</b>
Increase/Decrease (%)		83.89	86.76	321.91
<b>Profit after Tax</b>	<b>306.38</b>	<b>177.92</b>	<b>114.29</b>	<b>79.90</b>
Increase/Decrease (%)		55.67	41.98	440.60

#### Financial Statement for the period ended 31<sup>st</sup> December, 2010.

##### Income from Operations

Our total income from operations for the period ended on 31-12-2010 amounted to ₹ 5482.97 Lacs. The income from other sources, including interest income amounted to ₹ 1.54 Lacs for the period ended as on 31-12-2010.

##### Expenditure

The total expenditure other than interest, depreciation and taxes for the period ended as on 31-12-2010 amounted to ₹ 4920.30 Lacs.

##### Administration and Selling Expenses

Administration and Selling Expenses for the period ended as on 31-12-2010 amounted to ₹. 233.63 lacs

##### Interest & Finance Expenses:

Financial Expenses for the period ended as on 31-12-2010 was ₹ 230.84 Lacs.

##### Depreciation

Depreciation for the period ended as on 31-12-2010 was ₹ 50.33 Lacs.

##### Profit Before Tax

Profit before Tax for the period ended on 31-12-2010 amounted to ₹ 306.38.

#### COMPARISON OF FINANCIAL YEAR 2010 WITH FINANCIAL YEAR 2009

##### Income from Operations

Our total income from operations for the year ended on March 31, 2010 amounted to ₹ 5104.13 Lacs



respectively in comparison to ₹ 2667.89 Lacs for the year ended March 31, 2009. The Growth in income from operations resulted increase of 91.32% for the year ended as on 31-03-2010 in comparison to previous year ended as on 31-3-2009. The income from other sources, including interest income amounted to ₹ 0.98 Lacs for the year ended as on 31-03-2010 in comparison to ₹ 14.96 Lacs for the previous year ended as on 31-3-2009. The decrease in income from other sources is due to the decrease in Misc. and Interest Income which resulted a decline of 93.51% as compared to previous year 2008-09.

### **Expenditure**

The total expenditure other than interest, depreciation and taxes for the year ended as on 31-03-2010 amounted to ₹ 4564.74 Lacs while the same was ₹ 2467.53 Lacs for the previous year ended as on 31- 3-2009 showing an increase of 84.99% due to increase in operation cost by the company and due to increase in staff cost of the company. The major increase in expenditure in F.Y.2009-10 is on Operation of company ₹ 3979.97 Lacs while the same was ₹ 1971.73 in F.Y.2008-09. The other major increase in expenditure in F.Y.2009-10 is on payment to employees amounting to ₹109.92 Lacs while the same was ₹78.30 Lacs respectively in F.Y.2008-09.

### **Interest & Finance Expenses:**

Financial Expenses has gone up by 60.01% to ₹ 189.29 Lacs for the year ended as on 31-03-2010 from ₹ 118.30 Lacs in the previous year. The payment of interest and financial charges to banks are due to borrowings from banks for working capital and other purpose for F.Y.2009-10 and therefore payment on account of Interest and financial charges increased substantially in comparison to F.Y.2008-09.

### **Depreciation**

Depreciation for the financial year 2009-10 was ₹ 40.49 Lacs as against ₹27.96 Lacs for the year ended on 31-3-2009. Depreciation charges as a percentage of total income were 0.79 % in F.Y. 2009-10 and 1.05 % in FY 2008-09. The decrease in depreciation as percentage to revenue during the year was due to increase in Total Income of the company.

### **Taxes**

Taxes for year ended on 31-3-2010 were ₹ 136.65 Lacs as against ₹ 65.74 Lacs for the year ended on 31- 3-2009. Taxes charges as a percentage of income were 2.67 % in F.Y. 2009-10 as compared to 2.46 % in F.Y. 2008-09. There is very less change.

### **Profit After Tax**

Profit After Tax increased from ₹177.92 Lacs for the year ended on 31-03-2010 as against to ₹ 114.29 Lacs for the year ended on 31-3-2009 registering an increase of 55.67 % due to performance. The increase in profit in F.Y.2009-10 in comparison to F.Y.2008-09 is due to higher revenue from business activities and this resulted in higher profits in F.Y.2009-10 in comparison to F.Y.2008-09

## **COMPARISON OF FINANCIAL YEAR 2009 WITH FINANCIAL YEAR 2008**

### **Income from Operations**

Our total income from operations for the year ended on March 31, 2009 amounted to ₹ 2667.89 Lacs respectively in comparison to ₹ 1975.65 Lacs for the year ended March 31, 2008. The Growth in income from operations resulted increase of 35.04% for the year ended as on 31-03-2009 in comparison to previous year ended as on 31-3-2008. The income from other sources, including interest income amounted to ₹ 14.95 Lacs for the year ended as on 31-03-2009 in comparison to ₹ 13.51 Lacs for the previous year ended as on 31-3-2008. The increase in income from other sources is due to the increase in Interest income which resulted a increase of 10.66% as compared to previous year 2007-08. This increase is due to higher interest bearing advances.



## **Expenditure**

The total expenditure other than interest, depreciation and taxes for the year ended as on 31-03-2009 amounted to ₹ 2467.53 Lacs while the same was ₹ 1828.78 Lacs for the previous year ended as on 31-03-2008 showing an increase of 34.93% due to increase in operation cost by the company and due to increase in staff cost of the company. The major increase in expenditure in F.Y.2008-09 is on Operation of company ₹ 1971.73 lacs while the same was ₹ 1522.65 in F.Y.2007-08. The other major increase in expenditure in F.Y.2008-09 is due to Staff Cost amounting to ₹ 78.30 Lacs while the same was ₹ 47.40 Lacs respectively in F.Y.2007-08.

## **Interest & Finance Expenses:**

Financial Expenses has gone up by 117.30% to ₹ 118.30 Lacs for the year ended as on 31-03-2009 from ₹ 54.44 Lacs in the previous year. The payment of interest and financial charges to banks are due to borrowings from banks for working capital and other purpose for F.Y.2008-09 and therefore payment on account of Interest and financial charges increased substantially in comparison to F.Y.2007-08.

## **Depreciation**

Depreciation for the financial year 2008-09 was ₹ 27.96 Lacs as against ₹ 10.33 Lacs for the year ended on 31-3-2008. Depreciation charges as a percentage of total income were 1.05 % in F.Y. 2008-09 and 0.52 % in FY 2007-08. The increase in depreciation as percentage to revenue during the year was due to decrease in Total Income of the company.

## **Taxes**

Taxes for year ended on 31-3-2009 were ₹ 65.74 Lacs as against ₹ 39.78 Lacs for the year ended on 31-3-2008. Taxes charges as a percentage of income were 2.46 % in F.Y. 2008-09 as compared to 2.01 % in F.Y. 2008-09. Due to higher profits

## **Profit After Tax**

Profit After Tax increased from ₹114.29 Lacs for the year ended on 31-03-2009 as against to ₹ 80.50 Lacs for the year ended on 31-3-2008 registering an increase of 41.98 % due to performance. The increase in profit in F.Y.2008-09 in comparison to F.Y.2007-08 is due to higher revenue from business activities and this resulted in higher profits in F.Y.2008-09 in comparison to F.Y.2007-08.

## **Related Party Transactions**

*For further information please refer "Annexure 10" beginning on page 157 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 145 of the Red Herring Prospectus.*

## **Financial Market Risks**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

### **Interest Rate Risk**

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the FY ended March 31, 2010, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.





## **Exchange Rate Risk**

Changes in currency exchange rates influence our results of operations. We report results in our financial statements in Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future.

## **Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## **Information required as per Schedule VIII (IX) Part A (IX) (E) (5) of the SEBI (ICDR)**

### **1. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

### **2. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 12 in the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### **3. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

### **4. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

### **5. Total turnover of each major industry segment in which the issuer company operated.**

For details on the total turnover of the industry please refer to Chapter "Industry Overview" beginning on page 80 of the Red Herring Prospectus.

### **6. Status of any publicly announced new products or business segment.**

The company has started one Kitchen Design Institute under the name of Intelligent Kitchen Design Institute. The institute is at a pilot stage and is being run from the registered office of the company. The company is doing test marketing of a range of cookware products. Both the divisions are in their infancy and hence have not been included and shown as the core business of the company.

### **7. The extent to which business is seasonal.**

Our Company's business is not seasonal in nature.

### **8. Any significant dependence on a single or few suppliers or customers.**



The % of contribution of our Company's customers and suppliers' vis-à-vis the total income and operating cost respectively, for the FY 2010 is as follows:

<b>TOP CUSTOMERS</b>			
Sr.	Customer Name	Sales in Lacs	% of Sale
01	Top 5 Customers	2498.87	40.80
02	Top 10 Customers	3699.44	60.47

<b>TOP SUPPLIERS</b>			
Sr.	Customer Name	Sales in Lacs	% of Sale
01	Top 5 Suppliers	2907.84	63.36
02	Top 10 Suppliers	3849.62	83.88

### 9. Competitive conditions.

Competitive conditions are as described under the Chapters "Industry Overview" and "Business Overview" beginning on pages 80 and 90, respectively of the Red Herring Prospectus.

### FINANCIAL INDEBTEDNESS

Our aggregate borrowings as on December 31, 2010 (as per the financial statements) are as follows:

(₹ In Lacs)

Sr. No.	Nature of Loans	Amount
1.	Secured Loans	2759.86
2.	Unsecured Loans	308.22
	<b>TOTAL</b>	<b>3068.08</b>

### Secured Loans:

<b>Indebtedness :</b>				
Our Company is currently availing following Term Loans and Working Capital facility from the Banks and NBFCs				
Facility	Sanction Amount	Outstanding as on March 31, 2011	Rate of Interest	Secutriy & Repayment
<b>UNION BANK OF INDIA :</b>				
Term Loan - I (O/s Level)	99.00 Lacs	89.11 Lacs	BR+3.50	<b>Primary :</b> First charge on entire Fixed Assets of our Company with 41% margin.

				<p><b><u>Repayment :</u></b></p> <p>New Term Loan/Demand Loan shall be repayable in 60 monthly installments from Feb, 2009</p> <p><b><u>Personnel Guarantee :</u></b></p> <p>Mr. Anant S. Maloo, Mr. Manan V. Patel, Mr. Abhijeet, D. Daga, Mr. Ajay S. Maloo, Mr. Mukesh A. Patel and Sureshchandra Maloo</p>
Term Loan - II	325.00 Lacs	309.63 Lacs	BR+3.50	<p><b><u>Primary :</u></b></p> <p>First charge on entire Fixed Assets of our Company with 25% margin.</p> <p><b><u>Repayment :</u></b></p> <p>New Term Loan/Demand Loan shall be repayable in Five years EMI starting from April, 2010</p> <p><b><u>Personnel Guarantee :</u></b></p> <p>Mr. Anant S. Maloo, Mr. Manan V. Patel, Mr. Abhijeet D. Daga, Mr. Ajay S. Maloo, Mr. Mukesh A. Patel and Sureshchandra Maloo</p>
Term Loan - III (Show Room Deposit)	60.00 Lacs	56.95 Lacs	BR+3.50	<p><b><u>Primary :</u></b></p> <p>First charge on entire Fixed Assets of our Company with 25% margin.</p> <p><b><u>Repayment :</u></b></p> <p>New Term Loan/Demand Loan shall be repayable in Five years EMI starting from April, 2010</p> <p><b><u>Personnel Guarantee :</u></b></p> <p>Mr. Anant S. Maloo, Mr. Manan V. Patel, Mr. Abhijeet D. Daga, Mr. Ajay S. Maloo, Mr. Mukesh A. Patel and Sureshchandra Maloo</p>

				Sureshchandra Maloo
Cash Credit	2500.00 Lacs	2500.00 Lacs	BR +3.75%	<p><b>Primary :</b></p> <p>First charge on entire current assets such as Raw Material, Stock in Process, Finished Goods not older than 90 days with 25% margin. And Receivables not older than 90 days with 50% margin</p> <p><b>Collateral :</b></p> <p>Factory Land &amp; Building (Both Units - Changodar &amp; Umreth), Registered Office of the Company at Naranpura, Ahmedabad, Owned Residential Flat at S.G. Highway, Ahmedabad</p> <p><b>Personnel Guarantee :</b></p> <p>Mr. Anant S. Maloo, Mr. Manan V. Patel, Mr. Abhijeet D. Daga, Mr. Ajay S. Maloo, Mr. Mukesh A. Patel and Sureshchandra Maloo</p> <p><b>Repayment :</b></p> <p>The Working Capital limit are repayable on Demand.</p> <p><b>Validity of Limit :</b></p> <p>Limit is Valid up to December 2011 subject to Renewal.</p>
Letter of Credit	50.00 Lacs	NIL	Usual	<p><b>Primary :</b></p> <p>With which C.C. Hyp/B.debts 10% at opening of LC and 15% at Documents received</p>
<b>HIRE PURCHASE LOANS :</b>				<p><b>Primary :</b></p> <p>Secured by Hypothecation of specified Vehicles against which the Finance is obtained.</p>

HDFC Bank	5.34 Lacs	4.33 Lacs		Payable in 36 monthly installments from October 2010
HDFC Bank	3.50 Lacs	2.83 Lacs		Payable in 36 monthly installments from October 2010
ICICI Bank	27.80 Lacs	24.23 Lacs		Payable in 36 monthly installments from December 2010
ICICI Bank	62.25 Lacs	54.22 Lacs		Payable in 36 monthly installments from December 2010
Kotal Mah. Prime Ltd.	30.47 Lacs	16.20 Lacs		Payable in 36 monthly installments from July 2010
<b>RETAIL SME/BUSINESS LOANS :</b>				
<b>(A) Loan from Banks :</b>				
Kotal Mah. Bank Ltd	12.62 Lacs	3.45 Lacs		Payable in 36 monthly installments from Dece, 2008 Personnel Guarantee by Mr. Anant S. Maloo
ABN AMRO Bank	19.25 lacs	5.29 Lacs	19.50%	Payable in 36 monthly installments from Dece, 2008 Personnel Guarantee by Mr. Anant S. Maloo
Standard Chartered Bank	18.50 Lacs	0.32 Lacs	18.00%	Payable in 36 monthly installments from March, 2008 Personnel Guarantee by Mr. Anant S. Maloo
ICICI Bank Ltd	3.45 Lacs	0.89 Lacs	14.27%	Payable in 60 monthly installments from June, 2007 Personnel Guarantee by Mr. Anant S. Maloo

<b>(B) Loan from NBFCs :</b>				
Bajaj Auto Finance Ltd	14.77 Lacs	4.12 Lacs	21.00%	Payable in 36 monthly installments from Dece, 2008 Personnel Guarantee by Mr. Anant S. Maloo
Magma Finecorp Ltd. - 042	20.00 Lacs	6.22 Lacs	21.00%	Payable in 36 monthly installments from Janu, 2009 Personnel Guarantee by Mr. Anant S. Maloo
Megma Finance Ltd. - 052	20.00 Lacs	14.04 Lacs	21.00%	Payable in 36 monthly installments from March, 2010 Personnel Guarantee by Mr. Anant S. Maloo
TATA Capital Ltd	34.25 Lacs	29.74 Lacs	19.00%	Payable in 36 monthly installments from Dece, 2008 Personnel Guarantee by Mr. Anant S. Maloo
Religare Finvest Ltd	25.25 Lacs	2.31 Lacs		Payable in 36 monthly installments from Dece, 2008 Personnel Guarantee by Mr. Anant S. Maloo
Relicance Capital Ltd	28.77 Lacs	14.08 Lacs		Payable in 36 monthly installments from July, 2009 Personnel Guarantee by Mr. Anant S. Maloo
IndiaBulls Financial Serv. Ltd.	30.30 Lacs	12.88 Lacs		Payable in 36 monthly installments from Sept, 2009 Personnel Guarantee by Mr. Anant S. Maloo
S.E Invest. Ltd.	100.00 Lacs	85.00 Lacs		Payable in 24 monthly installments from Janu, 2011
Electronica Finance Ltd	15.00 Lacs	8.18 Lacs		Payable in 36 monthly installments from Nove, 2010



**Restrictive Covenants:**

Some of the Loan Documents contain the covenants, including but not limited to, that the prior written consent of the bank or institution to be obtained for the activities pertaining to the following:

1. To effect any change in the shareholding pattern, capital structure or the management control of the company;
2. To undertake any new project or scheme of expansion for the company or for acquisition of fixed assets;
3. To procure further or concurrent borrowings from other sources or create mortgage/charge on the assets of the company;
4. To invest by way of shares or funds to other concerns/entities;
5. To undertake guarantee obligations on behalf of other entities;
6. To declare dividends; and

**Unsecured Loans:**

As on 31<sup>st</sup> December, 2010, the Unsecured Loans of our Company aggregated to ₹ 308.22 Lacs are as under:-

(₹ In Lacs)	
Particulars	Amount
<b>Loan from Promoters:</b>	
<i>Mr. Anant S. Maloo</i>	94.16
<i>Mr. Manan V. Patel</i>	0.55
<i>Mr. Abhijeet D. Daga</i>	20.08
	<b>114.79</b>
<b>Loan from Promoter Group:</b>	
<i>Maloo Building Material Pvt.Ltd.</i>	2.92
	<b>2.92</b>
<b>Loan from Directors:</b>	
<i>Mukesh Patel</i>	60.26
	<b>60.26</b>
<b>Loan from Members:</b>	
<i>Mr. Jagdish Patel</i>	26.45
	<b>26.45</b>
<b>Loan from Others:</b>	
<i>Maloo Polymers Ltd.</i>	6.00
<i>Felder UK Ltd.</i>	90.89
	<b>96.89</b>



<b>Trade Deposits:</b>	
<i>Arrow Global Pvt.Ltd.</i>	<i>2.00</i>
<i>City Connect Services Pvt.Ltd. (Deposit)</i>	<i>4.66</i>
<i>Windoor Marketing (Deposit)</i>	<i>0.25</i>
	<b>06.91</b>
<b>Grand Total</b>	<b>308.22</b>



## SECTION VI – LEGAL AND OTHER REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them. Neither Our Company nor its Promoters, Promoter Group Companies, Associates have received any show cause notice for any regulatory lapse by regulatory bodies and agencies.

This chapter has been divided into five parts:

- A. Litigations relating to our Company
- B. Litigation against our Promoters and Directors
- C. Litigation relating to our Promoter Group/ Group Companies
- D. Penalties imposed in past cases for the last five years
  - a) Our Company
  - b) Our Directors and Promoters
  - c) Our Promoter Group Entities
- E. Amounts owed to small scale undertakings

#### A. Litigation relating to Our Company

##### i. Cases filed against our Company

###### Civil Cases:

(₹ in Lacs)

SL. No.	Reference to Case No.	Opposite Party	Gist of the Case	Amount disputed
1.	Notice issued under section 351 of M.M.C Act under No. ACKW/351/5512/SEF of 2009-2010 dated 24.07.2009	The Municipal Corporation of Greater Mumbai	The Municipal Corporation of Greater Mumbai has issued notice for the Premises (showroom) for unauthorized work of mezzanine floor. Our Company replied that the notice is not applicable as our society has already got the order of Stay from Honorable High Court under a writ petition no. 605/2009 dated 27.07.2009 Municipal Corporation stated through letter dated 29.10.2009 that No documentary evidence proves authorization of mezzanine floor and	N.A

			directed to remove the said unauthorized work within seven days. No action has been taken yet by the Municipal Corporation.	
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**Tax Cases:**

(₹ in Lacs)

SL. No.	Reference to Case No.	Opposite Party	Gist of the Case	Amount disputed
1.	Summons to furnish information/ documents u/s. 14 of The Central Excise Act, 1944, which is made applicable to the Service Tax under the provisions of Section 83 of the Finance Act, 1994 which was served to the company on bearing No. 822 on 19.03.2009 and same was again served bearing No. 851 on 25.03.2009	Superintendent (Prev. Group V) Commissioner Service Tax, Ahmedabad.	Our Company has been asked to furnish certain information/ documents. The Company had replied to the Summons on 09.04.2009 covering all the details as required by the Service Department. The matter is pending.	N.A

**ii. Cases filed by our Company**

As on date there are no cases which have been filed by Our Company.

**B. Litigation against Our Promoters and Directors**

**As on date there are no cases which have been filed against our promoters and directors**

**C. Litigation involving Promoter Group / Group Companies**

As on date there are no cases which have been filed by or against of any of the entities forming a part of the Promoter Group.

**D. Penalties imposed in past cases in the last five years**

There are no penalties which have levied on our Company, Promoters, Directors or Promoter Group in last five years

**E. Amount Owned to Small Scale Undertakings**



There are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding ₹ 1 Lac which is outstanding for more than 30 days from the due date.

**Material developments occurring after the last Balance Sheet Date**

There are no material developments after the date of the last audited balance sheet as on March 31, 2009, which may materially affect the performance, or prospects of the Company.

**Adverse Events**

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of the Red Herring Prospectus with the Registrar of Companies.



## GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled "Objects of the Issue" beginning on page 60 of the Red Herring Prospectus*. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

### I. GENERAL

1. Fresh Certificate of Incorporation consequent upon change of name from Inside Outside India Dot Com Private Limited to IKI Timbor Home Private Limited, dated February 08, 2005 and bearing Company Number 04- 37984 issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
2. Fresh Certificate of Incorporation consequent upon change of name from IKI Timbor Home Private Limited to Timbor Home Private Limited, May 22, 2007 and bearing Corporate Identity Number U72200GJ2000PLC037984 issued by Deputy Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
3. Fresh Certificate of Incorporation consequent upon change of name from Timbor Home Private Limited to Timbor Home Limited on conversion to public limited company, issued to our Company, dated June 13, 2009 and bearing Corporate Identity Number U72200GJ2000PLC037984 issued by Deputy Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
4. Our Company's TAN (Tax Deduction Account Number) under the Income Tax Act is AHMT02688A
5. Our Company's PAN (Permanent Account Number) under the Income Tax Act is AABC12531A.
6. Our Company's Gujarat Sales Tax No. 24072902679, dated 20/07/2004 issued to our Company by Sales Tax Department of Gujarat State under Gujarat Sales Tax Act, 1969.
7. Certificate of Registration bearing No. 24572902679, dated 31/05/2004 issued to our Company by Sales Tax Officer, Ahmedabad under Central Sales Tax (Registration and Turnover) Rules, 1957.
8. Certificate of Permanent No. 24/07/55657, dated 17/04/2006 issued to our Company by District Industries Centre, Ahmedabad, Gujarat towards Manufacture of Wooden Furniture, Kitchen Accessories, Panel Doors.
9. Factory License No. 076274, dated 01/11/2004 issued to our Company by Chief Inspector of Factories, Gujarat.
10. Sanction letter No. 72038/05031/7 issued by Gujarat Power Corporation Limited for additional power of 55 KVA.
11. Central Excise Registration No. AABC12531AXM001, dated 09/09/2009 issued to our Company by Deputy Commissioner/ Assistant Commissioner of Central Excise, Ahmedabad towards Manufacture of excisable goods.
12. Service Tax Certificate No. AABC12531AST001, dated 27/11/2008 issued to our Company by Superintendent Service Tax, Division II, Deputy Commissioner of Service Tax, Central Excise Bhavan Ahmedabad.
13. Certificate of Importer-Exporter Code 0804010561, dated 02/12/2004 issued to our Company by Ministry of Commerce, Officer of Joint Director General of Foreign Trade, Ahmedabad.



14. Certificate of Registration No. GJ/AHD/52043, dated 13/03/2006, issued to our Company by Employees' Provident Funds Organisation, Regional Provident Fund Commissioner , Regional Office, Ahmedabad.
15. Certificate of Registration No. /DIC/AND/ EM Part-2/4755, dated 06/11/2008, issued to our Company by District Industries Center, Anand towards Manufacture of Builder Joinery Frame, Flush Door, Panel Door, Wood Seasing & Chemical Treatment of wood.
16. Certificate of Registration No. GPCB/CCA/KH-407/22316/30301, dated 09/12/2009, issued to our Company by Gujarat Pollution Control Board.
17. Central Exercise Registration No. AABC12531AXM002, dated 02/10/2009 issued to our Company by Deputy Commissioner/ Assistant Commissioner of Central Excise, Ahmedabad towards Manufacture of excisable goods.
18. Service Tax Code Registration No. AABC12531AST002, dated 27/02/2009 issued to our Company by Office of the Assistant Commissioner, Central Excise and Customs, Anand Division, Anand.
19. Registration No. And/ Tech-1/2503, dated 28/06/2008 issued to our Company by Madhya Gujarat Vij Company Limited towards releasing of 200 KVA HT Power for Plot No. 401 and 402, GIDC Estate, Umreth, Dist: Anand under Anand (O & M) Division.
20. Certificate (License No. 6999) Registration No. 53/36103/2009, dated 19/04/2010 issued to our Company by Directorate Industrial safety & Health for use of factory within the limits specified in the plan approved by the Joint Director Industrial Safety and Health under Baroda Region.
21. Certificate from Central Stores Purchase Organisation (CSPO), Government of Gujarat vide. Regi No. CSPO/ DIC-AHD 26 dated 28/12/2010
22. Certificate of Entrepreneurs Memorandum for MSME

## **II. QUALITY CERTIFICATIONS**

1. ISO 14001:2004 bearing Certificate No. GUJ/ E - 1102 dated 24/10/2008 issued to our Company by Nimbus Certification Pvt. Ltd., Borivali(W), valid till 23/10/2011.
2. ISO 9001: 2000 bearing Certificate No. GUJ/ Q - 1099 dated 24/10/2008 issued to our Company by Nimbus Certification Pvt. Ltd., Borivali(W), valid till 23/10/2011.
3. Forest Stewardship Council (FSC) Certificate for door/ door components, window/ window components, kitchenware, furniture, casework, sawn wood bearing Certificate No. FSC-C101796 issued to our Company by Rainforest Alliance, valid till 16/03/2016.

## **III. APPLICATIONS PENDING RENEWAL**

As on date our Company has not made any applications which are pending renewal.

## **IV. MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY**

As on date there are no licenses/approvals, which our Company is to apply for, in order to run its business.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors dated 6.7.2010 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an EGM of our Company held on 10.08.2010.

### Prohibition by SEBI

Our Company, Promoters, Directors, Promoter Company, or entities with which our Company's Directors are associated as directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities.

### Prohibition by RBI

Our Company, Promoters, Directors, Promoter Company, have not been identified as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

### Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- The Company has net tangible assets of at least Rs 3 Crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;
- The Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least (3) out of immediately preceding five (5) years;
- The Company has a net worth of at least ₹1 Crores in each of the preceding three (3) full years (of 12 months each);
- The Company has not changed its name within the last one year but have converted from Private to Public Limited;
- The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size does not exceed five (5) times its pre-issue net worth as per the last available audited accounts.

The pre-issue net worth, distributable profits and net tangible assets in terms of section 205 of the Companies Act, of the Company for the last 5 completed years are as under:

	<b>(₹ In Lacs)</b>				
<b><i>For the Financial year Ending</i></b>	<b><i>March 31<sup>st</sup> 2006</i></b>	<b><i>March 31<sup>st</sup> 2007</i></b>	<b><i>March 31<sup>st</sup> 2008</i></b>	<b><i>March 31<sup>st</sup> 2009</i></b>	<b><i>March 31<sup>st</sup> 2010</i></b>
Net Tangible Assets	529.04	751.35	2136.77	3123.35	4932.92
Monetary Assets	18.10	7.44	53.34	30.76	30.22
% of Monetary Assets to Net Tangible Assets	3.42	1.00	2.50	0.98	0.61
Distributable Profits	10.53	14.77	80.50	114.29	177.92
Net worth	29.58	64.99	306.14	841.32	1880.04



*(Source: As per Restated Standalone Financial statements)*

The proposed issue size would not exceed five times the pre-issue Tangible net worth as on March 31, 2010 which is ₹ 1880.04 Lacs. Based on the above data we hereby certified that the Company is fulfilling the criteria of eligibility norms for Public Issue by unlisted company as specified in the regulation 26(1) of SEBI (ICDR) Regulations, 2009 and amendments thereof.

Monetary Assets represents Cash and Bank Balance.

Net tangible assets shall mean the sum of all net assets of the company, excluding .intangible assets., as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

Further, in accordance with Regulation 26 (4) of the SEBI ICDR Regulations, we undertake that the number of allottees, i.e., persons receiving allotment in the Issue shall be at least 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THIS RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, CORPORATE STRATEGIC ALLIANZ LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, CORPORATE STRATEGIC ALLIANZ LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 9<sup>TH</sup> MAY 2011 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 MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO 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 ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

- a. THE RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
  - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - c. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID;
  4. WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.
  6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.
  7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATIONS 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009 SHALL BE COMPIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
  8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUEER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.





9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION 3 OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY WILL CONTAIN THIS CONDITION. – NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTOR SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:
  - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 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 BRLMS, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE ARE BEING COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT IN TERMS OF 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.



### **Disclaimer from the Issuer and the Book Running Lead Managers**

Investors may note that Timbor Home Limited and Corporate Strategic Allianz Limited accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information would be doing so at his own risk.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accepts no responsibility; save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

### **Caution**

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

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

### **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under 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) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Red Herring Prospectus does not, however, constitute 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 the Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.



### **Disclaimer Clause of the Bombay Stock Exchange Limited**

Bombay Stock Exchange Limited ("the Exchange") has *vide* its letter dated October 15<sup>th</sup> 2010, given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Disclaimer Clause of National Stock Exchange of India Limited**

As required, a copy of this offer document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given *vide* its letter dated February 11<sup>th</sup> 2011, permission to the Issuer to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The NSE has scrutinized the 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 Issuer's 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 promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer 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 any other reason whatsoever.

### **IPO Grading**

This Issue being has been graded by Crisil Limited and has been assigned IPO grade 1/5 (pronounced one on five) indicates that the fundamentals of the IPO are poor through its letter dated April 26,2011

### **Disclaimer of IPO Grading Agency**

A CRISIL IPO grading is a one time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO grading is based on the information provided by issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is



based. A CRISIL IPO grading is not a recommendation to buy/sell or hold the graded instrument. It does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and specially states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of CRISIL IPO gradings.

### **Filing**

A copy of this Red Herring Prospectus has been filed with SEBI at Securities and Exchange Board of India, Western Regional Office, Unit No. 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad – 380009.

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 with RoC situated at ROC Bhavan, Opp. Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad – 380 013.

### **Listing**

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for the Issue.

### **Consents**

Necessary Consents for the issue have been obtained from the following:

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Managers to the Issue
5. Legal Advisor to the Issue
6. Registrar to the Issue
7. IPO Grading Agency
8. Company Secretary cum Compliance Officer
9. Syndicate Member(s)
10. Underwriter(s)
11. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Gujarat at Ahmedabad, as required under Sections 60 and 60B of the Companies Act, 1956



and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Gujarat at Ahmedabad.

### Expert Opinion

Except the report of CRISIL Limited in respect of IPO grading as mentioned in the chapter titled “ general information” beginning on page No. 37 of the Red Herring Prospectus, we have not obtained any expert opinion.

### Public Issue Expenses

The total expenses of the Issue are estimated at approximately ₹ [•] Lacs. The expenses of this Issue include Lead Manager Fees, Registrar Fees, Legal Advisors Fees, Auditors Fees, Underwriting Fees, Printing and Stationery Fees, Advertising Fees, IPO Grading Fees and Listing Fess. All expenses with respect to the Issue would be paid by our Company. The estimated Issue expenses are as follows:

Sr. No	Activity	Amount	Percentage of Issue Expenses	Percentage of Issue Size
1	Fees to Book Running Lead Manager to the Issue	[•]	[•]	[•]
2	Fees to the Registrar to the Issue	[•]	[•]	[•]
3	Fees to the Legal Advisors to the Issue	[•]	[•]	[•]
4	Fees to the Auditors	[•]	[•]	[•]
5	Underwriting and Selling Commission	[•]	[•]	[•]
6	Printing and Stationery	[•]	[•]	[•]
7	Advertising Expenses	[•]	[•]	[•]
8	IPO Grading Expenses	[•]	[•]	[•]
9	Other Expenses ( including filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
10	Contingencies	[•]	[•]	[•]
	<b>TOTAL</b>	[•]	[•]	[•]

### Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

### Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the *Chapter titled “Capital Structure” beginning on page 48 of the Red Herring Prospectus.*

### Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

**Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.**



There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

#### **Promise vis-à-vis Performance – Last 3 issues**

Our Company has not made any Public Issue in the past.

#### **Listed ventures of Promoters**

There are no listed ventures of our Promoters.

#### **Promise vis-à-vis Performance – Last One Issue of Group Companies**

There are no listed ventures of our Promoters.

#### **Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of the Red Herring Prospectus and terms of Issue**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Red Herring Prospectus.

#### **Stock Market Data**

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

#### **Mechanism for redressal of Investors' grievance**

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. *For further details on this committee, please refer paragraph titled "Shareholders/Investors Grievance Committee" beginning on page 133 under the Chapter titled "Our Management" beginning on page 126 of the Red Herring Prospectus.* To expedite the process of share transfer, our Company has appointed Purva Sharegistry India Private Limited as the Registrar and Share Transfer Agents of our Company.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

#### **Disposal of Investors' Grievances and Redressal Mechanism**

We have appointed Purva Sharegistry India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance officer. 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 bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances.



We assure that any complaints received, shall be disposed off as per the following schedule:

Sr.	Nature of Compliant	Time Taken
1.	Non – receipt of the refund	Within 7 days of receipt, subject to production of satisfactory evidence.
2.	Change of Address	Within 7 days of receipt of information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of compliant with all relevant details

We have appointed Ms. Akanksha Bijawat as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

**Ms. Akanksha Bijawat – Company Secretary and Compliance Officer**

Timbor Home Limited

A-2, Harikrupa Apartment, Nr. Naranpura Railway Crossing,  
Naranpura, Ahmedabad – 380 013, Gujarat - India

**Tel. No.** + 91 - 079 – 2756 0537

**Fax No.** + 91 - 079 – 2755 2596

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

**Email:** [ipo@timborhome.com](mailto:ipo@timborhome.com)

Our Company has not received any investor complaints during the three years preceding the filing of the Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Red Herring Prospectus with SEBI.

**Change in Auditors**

M/s Arvind A. Thakkar & Co., Chartered Accountants are the Statutory Auditor of the Company w.e.f 24.10.2009. Prior to them M/s. Mayank Shah & Associates, Chartered Accountants were the Statutory Auditors of the Company from 30.09.2005 to 27.09.2009 and resigned due to their Pre- commitments.

**Capitalization of Reserves or Profits during last five years**

Except as stated in the Chapter titled “*Capital Structure*” beginning on page 48 of the Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

**Revaluation of Assets during the last five years**

There has not been any revaluation of Assets during the last five years.



## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

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

#### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act 1956, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled “Main Provisions of Articles of Association” on page 242 of the Red Herring Prospectus.*

#### Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

#### Face Value and Issue Price per Share

The Equity Shares having a face value of ₹ 10 each and the Floor Price is ₹ [•] and the Cap Price is ₹ [•] are being offered in terms of the Red Herring Prospectus at a price of ₹ [•] per Equity Share. The issue price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

#### Rights of the Equity Shareholders

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a show of hands in person or poll either in person or by proxy;
- Right to receive Annual Reports and Notices to members;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and





- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled "Main Provisions of Articles of Association" on page 242 of the Red Herring Prospectus.*

### **Market Lot and Trading Lot**

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

Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For *details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" beginning on page 225 under Chapter titled "Issue Procedure" beginning on page 203 of the Red Herring Prospectus.*

### **Nomination Facility to Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ 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 our Registered Office or to the registrar and transfer agents of our Company.

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

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

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

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

### **Bid/Issue Program**

The period of operation of subscription list of public issue:

**Minimum Subscription**

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 12 Working days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

**Arrangements for Disposal of Odd Lots**

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

**Restrictions, if any on Transfer and Transmission of Equity Shares**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, *please refer to under the Chapter titled "Main Provisions of Articles of Association" on page 242 of the Red Herring Prospectus.*

**Jurisdiction**

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

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Application in Issue**

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialised form only.

**Compliance with SEBI (ICDR) Regulations, 2009**

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.



## ISSUE STRUCTURE

The present Issue comprising of [●] Equity Shares of ₹ 10 each aggregating ₹ 1,500 Lacs is being made through the 100% Book Building process. Details of the Issue structure are tabulated below:

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares</b>	Not more than 18,45,000 Equity Shares	Not less than 5,53,500 Equity Shares	Not less than 12,91,500 Equity Shares
Percentage of issue size available for allocation	Not more than 50% of the Net Issue to the public (of which 5% shall be reserved for Mutual Funds) or Net Issue to the public less allocation to Non- Institutional Bidders and Retail Individual Bidders.*  Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net issue to the public or Net Issue size less allocation to QIBs and retail individual bidders *	Not less than 35% of the Net issue to the public or Net Issue size less allocation to QIBs and non institutional bidders *
<b>Basis of Allocation if Respective category is oversubscribed</b>	Proportionate	Proportionate	Proportionate
<b>Minimum Bid</b>	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
<b>Maximum Bid</b>	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per retail individual investor so as to ensure that the Bid amount does not exceed ₹ 2,00,000 which has to be in multiples of [●] Equity Shares.
<b>Mode of Allotment</b>	Dematerialized mode	Dematerialized mode	Dematerialized mode
<b>Trading Lot/Market lot</b>	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
<b>Who can apply**</b>	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian	Individuals (including ASBA Bidders, NRIs and HUFs in the name of Karta) applying for

	banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, Provident funds with minimum corpus of ₹2500 Lacs and pension funds with minimum corpus of ₹ 2500 Lacs, National Investment Fund in accordance with applicable law. QIB's can also bid through ASBA	individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding ₹ 2,00,000)  Non Institutional Bidder can also bid through ASBA	Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value.  Resident Retail Individual Investor can also bid through ASBA.
<b>Terms of payment</b>	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application form to the members of the syndicate
<b>Margin Amount</b>	100% of the Bid amount in respect of bids placed by QIB bidder on bidding  25% of the Bid amount in respect of bids placed by QIB bidder in the Anchor Investor Portion, on bidding#	Full amount on bidding	Full amount on bidding

\* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company in consultation with the BRLMs subject to applicable provisions of SEBI (ICDR) Regulations, 2009.

\*\* In case the Bid Cum Application Form/ ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

Note: Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

## ISSUE PROCEDURE

### Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLMs, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

**Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.**

### Illustration of Book Building and Price Discovery Process

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹. 20/- to ₹ 24/- per Equity Share, Issue size of 3,000 Equity Shares and receipt of five Bids from the Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price will be made available at the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)) during the Bidding/ Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below ₹22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

### Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the 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 us 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 Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis	WHITE
Non-residents, NRIs or FIIs applying on a repatriation basis	BLUE
ASBA Bidders (for both the above categories)	PINK

### Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian Nationals resident in India who are majors, in single or joint names (not more than three);
3. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Companies corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of ₹ 25 crores and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of ₹ 25 crores and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
15. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
17. As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.
18. Any other QIB's permitted to invest in the issue under applicable law and regulation.

**Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals or as specified in this Red Herring Prospectus.**

### Participation by Associates of the BRLMs and Syndicate Members



The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

### **Procedure for Application by Mutual Funds**

In accordance with the current regulations, no mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the name of the scheme concerned for which the Bid has been made.

### **Application by FIIs**

In accordance with the current regulations, the Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

### **Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

### **Application by NRI**

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office situated at A- 2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad, Gujarat – 380 013, India or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour)

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen 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.



### Maximum and Minimum Bid size

a) **For Retail Individual Bidders:** The Bid must be for minimum [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of ₹ 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin on submission of bid.**

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 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'.

### Information for the Bidders

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from our registered office or from the BRLMs, or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLMs or Syndicate Member or their authorized agent(s) to register their Bid.
5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum- Application Forms should bear the stamp of the members of the Syndicate. Bid-cum- Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

### Method and Process of bidding

a) We, with the BRLMs, shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and the Price Band after the filing of the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations, 2009. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised at least two working days prior to the Bid/Issue Opening Date.

b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.





c) The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working (seven) days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and the Bidding Period may be extended, if required, by an additional 3 working (three) days, subject to the total Bidding Period not exceeding 10 working (ten) days.

d) During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

e) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (*for details please refer to the paragraph titled "Bids at Different Price Levels" beginning on page 207 under this Chapter in the Red Herring Prospectus*) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

f) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form. *For details please refer to the paragraph titled "Build up of the Book and Revision of Bids" beginning on page 210 under this Chapter in the Red Herring Prospectus.*

g) The members of the Syndicate will enter each option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRS's for each Bid cum application Form. **It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.**

h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described *under paragraph titled "Terms of Payment and Payment into the Escrow Collection Account" beginning on page 209 under this Chapter in the Red Herring Prospectus.*

### **Bids at Different Price Levels**

a) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised at least two working days prior to the Bid/Issue Opening Date. The Bidders can bid at any price within the Price Band, in multiples of Re 1.

b) In accordance with SEBI (ICDR) Regulations, 2009, our Company in consultation with the BRLMs in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.

c) Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper, and also indicating the change on the relevant websites of the BRLMs and the terminals of the members of the Syndicate.



d) We, in consultation with the BRLMs, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

e) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum bid in any of the bidding options not exceeding ₹ 2,00,000 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.**

f) Retail Individual Bidders, who bid at the 'Cut-Off' agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at 'cut-off' shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.

g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at 'Cut-off' Price could either

i) revise their Bid

ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off

iii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

### **Option to Subscribe in the Issue**

- Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

### **Escrow Mechanism**

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue proceeds (Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to



the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

### **Terms of Payment and Payment into the Escrow Collection Account**

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid-cum- Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the members of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders, the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash and stock invests shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum- Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders, failing which our Company shall pay interest @15% per annum for any delay beyond the period mentioned above.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders, would be required to pay their Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned *under the Chapter titled "Issue Structure" beginning on page 201 of the Red Herring prospectus* and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form.

### **Electronic Registration of Bids**

a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE / NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.

b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.

c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at [www.bseindia.com](http://www.bseindia.com) or on NSE's website at [www.nseindia.com](http://www.nseindia.com). The online, real-time graphical display of demand and bid prices at the bidding terminals shall be made. The BRLMs shall ensure the availability of adequate infrastructure for data entry of the bids on a real time



basis. At the end of each day of the bidding period the demand shall be shown graphically on the terminals for information of the syndicate members as well as the investors.

d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
- Investor Category – Individual, Corporate, NRI, FII, Mutual Fund, etc
- Numbers of Equity Shares bid for
- Bid price
- Bid Amount
- Bid-cum-Application Form number
- Whether payment is made upon submission of Bid-cum-Application Form
- Margin Amount and
- Depository Participant Identification Number and Client Identification Number of the demat account of the Bidder.

e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind. g) Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed as mentioned *under paragraph titled "Grounds for Technical Rejections" beginning on page 220 under this Chapter in the Red Herring Prospectus.*

h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company.

i) It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the 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 BRLMs on a regular basis.



c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.

d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum- Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. QIB Bidders shall not be allowed to withdraw their Bid after Bid/Issue closing date.

g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between NSE or BSE and members of the Syndicate, the decision of the BRLMs based on the physical records of Bid cum Application forms shall be final and binding to all concerned.

### **Price Discovery and Allocation**

a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with us.

b) Our Company, in consultation with the BRLMs shall finalise the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.

c) The allocation for QIBs for not more than 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLMs. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.



- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) The BRLMs, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Our Company in consultation with the BRLMs, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) The allotment details shall be uploaded on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and RoC Filing**

1. Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

### **Filing of the Prospectus with the RoC**

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, Gujarat situated at Ahmedabad. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Gujarat, Ahmedabad. We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

### **Announcement of Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

### **Advertisement regarding Issue Price and Prospectus**

We will issue a statutory advertisement at the time of/after filing of Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Intimation Note and Confirmation of Allocation/Allotment Note to bidders, other than QIBs**

The Registrar to the Issue shall send Confirmation of Allocation Note/Allotment Advice-cum- Refund Orders to all the Bidders intimating the number of shares allotted and the amount refunded.

### **Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders**

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. Based on the electronic book, if so required, QIBs may be sent an Intimation Note, indicating the number of Equity Shares that may be allocated to them and the additional margin required which shall be payable by the QIBs within the pay-in date specified therein. This



Intimation Note is subject to the Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI (ICDR) Regulations, 2009, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciled book and basis of allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to our Company, which may result in a change (including a potential decrease) in the number of Equity Shares being finally allotted to nonresident investors (including FIIs). As a result, a CAN may be sent to QIBs and the allocation of Equity Shares in such CAN, may be different from that specified in the earlier Intimation Note. QIBs should note that they may be required to pay additional amounts if any, by way of cheque, DD, RTGS, NEFT or any other electronic mode by the Pay-in Date specified in the CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract for the QIB for all the Equity Shares allocated to such QIB

### **Designated Date and Transfer of Funds to Public Issue Account**

a) Our Company will ensure that the allotment of Equity Shares is done within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case, our Company fails to make allotment or transfer within 12 Working Days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.

b) In accordance with the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.**

### **General Instructions**

#### **Do's:**

- a) Check if you are eligible to apply;
- b) Complete the bid-cum-application form after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- e) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- f) Ensure that you have been given a TRS for all your Bid options;
- g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- h) Ensure that the Bid is within the Price Band;



i) Investors must ensure that the name given in the bid cum application form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

j) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application For.

k) If you have mentioned 'Applied For' or 'Not Applicable' in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

l) Ensure that the Demographic details as registered with your Depository participant are updated, true and correct at all respects.

#### **Don'ts:**

a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;

b) Do not Bid for lower than minimum Bid size;

c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;

d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

e) Do not pay bid amount in cash, through stock invest, by money order or by postal order.

f) Do not provide your GIR number instead of PAN number;

g) Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds ₹ 2,00,000);

h) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law.

i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.

j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

#### **Instructions for completing the Bid-Cum-Application Form**

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our registered/corporate office, or from the Syndicate Members or from the BRLMs.

#### **Bids and Revisions of Bids**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis).





(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained therein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bidcum- Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum of ₹ 2,00,000.

(d) For non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.

(e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### ***Bidder's Bank Account Details***

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidder's bank account details. These bank account details would be printed on the Refund Orders/Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.

Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

#### ***BIDDER'S DEPOSITORY ACCOUNT DETAILS***

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form. These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / ECS credit for refunds/ Direct Credit of refund/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice, and the Registrar would not use the Demographic Details given by Bidders in the Bidcum- Application Form for these purposes.



Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants. By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records. Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Investors should note that the refund cheques/allocation advice/refund advice would be overprinted with details of bank account as per the details received from the depository.

### **Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies**

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part. In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

### **Procedure for Bids by Mutual Funds**

In case of Bids made by mutual fund registered with SEBI, Venture Capital Fund registered with SEBI and Foreign Venture Capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

### **Bids by Provident Funds**

In case of Bids made by provident fund with the minimum corpus of ₹ 2500 Lacs and pension fund with the minimum corpus of ₹ 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bidcum- Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part. We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company/BRLMs may deem fit.

### **Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis**

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate or the Registrars to the Issue.



- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour).

***Bids and Revision to Bids must be made:***

On the Bid cum Application Form or Revision Form, as applicable and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single name or joint names (not more than three)
- **By NRIs:** For a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of ₹ 2,00,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than ₹ 2,00,000 would be considered under Non Institutional Category for the purposes of allocation. *For further details refer to paragraph titled “Maximum and Minimum Bid Size” beginning on page 206 under this Chapter in the Red Herring Prospectus.*
- **By FIIs:** In multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. *For further details refer to paragraph titled “Maximum and Minimum Bid Size” beginning on page 206 under this Chapter in the Red Herring Prospectus.*
- In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

**Payment Instructions**

We along with BRLMs and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

**Payment into Escrow Account to the Issue**

1. Each Bidder shall pay the applicable Margin Amount at the time of submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account as per the below terms.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note/CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.



3. The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:

(i)	In case of Resident Bidders	<b>Escrow Account – THL Public Issue - R</b>
(ii)	In case of Non Resident Bidders	<b>Escrow Account – THL Public Issue – NR</b>
(iii)	In case of Resident QIB Bidders	<b>Escrow Account – THL Public issue - QIB – R</b>
(iv)	IN case of Non Resident QIB Bidders	<b>Escrow Account – THL Public Issue – QIB – NR</b>

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.

5. Payment will not be accepted out of a Non Resident Ordinary (NRO) Account of a Non Resident bidder bidding on a repatriation basis.

6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.

8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and Refund Account with the Refund Bankers.

10. On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

***Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash / Stockinvest / Money Orders / Postal Orders will not be accepted.***

#### **Submission of Bid-cum-Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate member shall collect the Margin Amount.

**No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by**



**stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.**

## **Other Instructions**

### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum- Application Form or Revision Form ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

### **Multiple Bids**

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

i) All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

ii) In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

iii) The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

iv) The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and nonnumeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

v) The applications will be scrutinized for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

vi) Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. The applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

### **Permanent Account Number (PAN)**

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act, 1961, irrespective of the amount for which application



or bid is made. Applications without this information will be considered incomplete and are liable to be rejected.

**It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention 'Not Applicable' and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention 'Applied for' in the Bid cum Application Form. Further, where the Bidder(s) has mentioned 'Applied for' or 'Not Applicable', the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration.

**It may be noted that Form 60 and Form 61 have been amended *vide* a notification issued on 01st December 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.**

#### **Unique Identification Number – MAPIN**

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

#### **Right to Reject Bids**

Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds. Consequent refunds shall be made by Cheque/Pay Order/Demand Draft/ECS/Direct Credit/RTGS/NEFT, as the case may be, and will be sent to the bidder's address at the bidder's risk.

#### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bank account details for Bidders not given;
4. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons
7. PAN not mentioned in the Bid-cum-Application form
8. GIR Number given instead of PAN Number;



9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than the lower end of the Price Band;
11. Bids at a price more than the higher end of the Price Band;
12. Bids at cut-off price by Non-Institutional and QIB Bidders;
13. Bids for number of Equity Shares, which are not in multiples of [●];
14. Category not ticked;
15. Multiple bids as defined in the Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by Stockinvest/money order/ postal order/ cash;
18. Bids not duly signed by the sole /joint Bidders;
19. Bid-cum-Application Form does not have the stamp of the BRLMs/Syndicate Member;
20. Bid-cum-Application Form does not have Bidder's depository account details;
21. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form; or
22. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
24. Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by OCBs;
27. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act;
28. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
30. Bids not uploaded in the electronic bidding system of Stock Exchanges would be rejected; and
31. Bids by NRIs not disclosing their residential status;
32. Any other reason which the BRLMs or our Company deem necessary.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated 18<sup>th</sup> March, 2010 among NSDL, our Company and Registrar.
- 2) An Agreement dated 22<sup>nd</sup> October, 2010 among CDSL, our Company and Registrar.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- 1) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- 2) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.



- 3) Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
- 5) Non-transferable allocation advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
- 6) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- 7) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his/her Depository Participant.
- 8) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
- 9) The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE and NSE.
- 10) Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

### **Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bidcum- Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Our Company has appointed Ms. Akanksha Kailash bijawat as the Compliance Officer for the purposes of this IPO and he may be contacted at the registered office of our Company at: A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura, Ahmedabad, Gujarat – 380 013, India. Investors may contact him in case of any Pre-Issue or Post-Issue related problems.

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

### **Disposal of Applications and Application Money**

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

### **Mode of Making Refunds**

The payment of refund, if any, would be done through various modes as given hereunder:



1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centres:

1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned sixty eight centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned sixty eight centres and whose refund amount exceeds ₹ 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers.

Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at



places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

We shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges, where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company, further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 12 Working Days of the Bid/Issue Closing Date;
- Our Company shall, within 12 Working Days of the Bid/Issue Closing Date, ensure giving instruction in respect of refunds to the clearing system or dispatch the refund orders as the case may be;  
and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 12 Working days time period as mentioned above), if allotment/transfer is not made, refund orders are not dispatched or refund instructions have not been given to the clearing system in the manner disclosed above and/or demat credits are not made to bidders within the 12 Working Days time prescribed above.

Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice. Refunds if, not made by Electronic Clearing Services (ECS), Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) will be made through cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 12 Working Days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

**The bank account details for ECS/ Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including MICR code maintained at the depository level are updated and correct.**

We shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven working days of finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, Our Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 12 Working Days of the Bid/ Offer Closing Date.

**We will provide adequate funds required for dispatch of refund orders, Direct Credit, ECS, RTGS or allotment advice to the Registrar to the Issue.**

Refunds will be made by Direct Credit, ECS, RTGS cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.



No separate receipts shall be issued for the money payable on the submission of Bid-cum- Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

### **Impersonation**

**Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:**

**“Any person who:**

**(a) makes in a fictitious name, a Bid to a company for acquiring or subscribing for, any shares therein, or**

**(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

### **Interest on Refund of Excess Bid Amount**

We shall pay interest at the rate of 15% per annum on the excess Bid Amount received by us if refund orders are not dispatched within 12 Working Days from the Bid/Issue Closing Date.

### **BASIS OF ALLOTMENT**

Basis of allotment shall be finalized by our Company and BRLMs in consultation with BSE.

#### **I. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 12,91,500 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 12,91,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

#### **II. For Non Institutional Bidders**

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.



- The Net Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 5,53,500 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 5,53,500 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.

### III. For QIB Bidders

- Bids received from the QIB bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the issue price.
- The QIB portion shall be available for allocation to QIB bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- i. In the event that Mutual Fund Bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB portion.
- ii. In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
- iii. Equity shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIB's shall be determined as follows:

- i. In the event that the oversubscription in the QIB portion, all QIB bidders who have submitted bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB portion.
- ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Share on a proportionate basis along with other QIB Bidders.
- iii. Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB bidders on a proportionate basis.

(c) The aggregate allocation to QIB Bidders shall be up to 18,45,000 Equity Shares.

### Procedure and Time Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a '100% book building process' pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the



BRLMs, will determine the issue price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies, Gujarat, Ahmedabad and SEBI, Mumbai. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 12 Working Days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

### **Method of Proportionate Allotment**

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director of the Bombay Stock Exchange (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

(a) Bidders will be categorized according to the number of Equity Shares applied for,

(b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the price band.

(d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

(e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

### **Letters of Allotment or Refund Orders**

We shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or ECS as



applicable (subject to availability of all information for crediting through electronic mode). In case of other applicants, the Bank shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500 by 'Under Certificate of Posting', and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the electronic facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 12 Working Days of closure of Issue. We shall ensure dispatch of refund orders, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 12 Working Days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, 2009, we undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 12 Working days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 12 Working Days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the 12 working days time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 12 Working days time as prescribed under SEBI (ICDR) Regulations, 2009.

We will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as a Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit/RTGS/NEFT/ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

### **Dispatch of Refund Orders**

*For details of Dispatch of Refund Orders refer to paragraph titled "Disposal of Applications and Allotment Money" beginning on page 222 under this Chapter in the Red Herring Prospectus.*

### **Interest in case of delay in Dispatch of Allotment Letters/Refund Orders in case of public issues**

Our Company agrees that allotment of securities offered to the public shall be made not later than 12 working days of the closure of issue. Our Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid/Issue closing date.

### **Bid/Issue Program**

Bid/ Issue Opens on 30 <sup>th</sup> May, 2011	Bid/ Issue Closes on 2 <sup>nd</sup> June, 2011
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Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centre's mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids



2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

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

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

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers one in English and other in Hindi, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate and to the SCSBs.



## ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Set forth below is the procedure for Bidding under the ASBA procedure, for the benefit of the Bidders.

**This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety.**

Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

### ASBA Process

All prospective Bidder can submit their Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### Who can Bid?

In order to be eligible to apply under the ASBA process, a Bidder has to satisfy the following conditions:

- a) is a “Prospective Investor”;
- b) is bidding at cut-off, with single option as to the number of shares bid for;
- c) is applying through blocking of funds in a bank account with the Self Certified Syndicate Bank (SCSB);
- d) has agreed not to revise his/her bid;
- e) is not bidding under any of the reserved categories.

### ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches of the SCSBs for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Form shall bear the stamp of the syndicate member/SCSBs and if not, the same shall be rejected. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch of the SCSB. In case of application in electronic





form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 231 under this Chapter in the Red Herring Prospectus.*

- The ASBA Bidders can submit only one Bid option in the ASBA Form which shall be at Cutoff Price. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will be considered for allocation along with the other Retail Individual Bidders who have Bid for the Equity Shares at or above the Issue Price or at the Cut-off Price.
- In the ASBA Form, the ASBA Bidder shall, inter alia, give the following confirmations/ declarations:
  - a. That he/she is an ASBA Bidder as per the SEBI (ICDR) Regulations, 2009;
  - b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the Basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
  - c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the Basis of Allotment and to transfer the requisite money to the Public Issue Account.
- An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch of the SCSB or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue. **ASBA Bidders are cautioned that Bids for Equity Shares in the Issue through the ASBA Form cannot be revised.**
- Upon completing and submitting the ASBA Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

#### **INSTRUCTIONS FOR COMPLETING THE ASBA FORM**

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
2. The Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.



6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

### **Maximum and Minimum Bid Size for ASBA Bidders**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed ₹ 2,00,000.

### **Information for the ASBA Bidders:**

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

2. Our Company and the BRLMs will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs, and advertised at least two working days prior to the Bid/Issue Opening Date.

3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

4. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 231 under this Chapter in the Red Herring Prospectus.*

5. ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares. In accordance with the SEBI (ICDR) Regulations, 2009, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

6. Our Company, in consultation with the BRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.

7. Our Company and the BRLMs shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as



specified under SEBI (ICDR) Regulations, 2009. The SCSBs shall accept Bids from the ASBA Bidders during the Bidding/Issue Period.

8. The Bidding/Issue Period shall be for a minimum of three working Days and shall not exceed seven working Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one Bengali regional newspaper, each with wide circulation and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

### **Payment Instructions/ Mode of Payment**

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue or withdrawal/failure of the Issue or withdrawal/failure of the Bid through ASBA, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the SCSB and no funds shall be blocked in the said ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

### **Electronic Registration of Bids**

Upon receipt of the ASBA Form, the Designated Branch of the SCSBs shall register and upload the Bid. **The BRLM, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the



Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

### **Instruction to SCSBs for unblocking of ASBA Account**

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

### **Price Discovery and Allocation**

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process along with the demand generated by other Retail Individual Bidders to determine the demand generated.
2. Our Company, in consultation with the BRLM, shall finalise the Issue Price.
3. The Allotment to QIBs will be upto 50% of the Net Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be upto 15% and 35% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI (ICDR) Regulations, 2009 and the Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

### **Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs**

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 (Twelve) Working Days from the Bid/ Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 (Twelve) Working Days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the



clearing system in the disclosed manner within 12 Working days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

### **Issuance of CAN**

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

- The number of shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn / unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

### **Allotment of Equity Shares**

- Our Company will ensure that the Allotment of Equity Shares is done within 12 Working days of the Bid/Issue Closing Date. After the funds are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two Business Days from the date of Allotment.
- As per the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued, transferred and allotted only in the dematerialized form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **GENERAL INSTRUCTIONS**

#### **DO's:**

1. Check if you are a person resident in India as defined under the FEMA.
2. Check if you are eligible to Bid under ASBA process.
3. Ensure that you use the ASBA Form specified for the purposes of ASBA process.
4. Read all the instructions carefully and complete the ASBA Form.
5. Ensure that your Bid is at the Cut-off Price.
6. Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Form.



7. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.
8. Ensure that your Bid is submitted at a Designated Branch of a SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or the Registrar or the BRLM.
9. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
10. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
11. Ensure that you have funds equal to the number of Equity Shares Bid for at the Cap Price available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch of the SCSB.
12. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
13. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSBs for the submission of your ASBA Form.
14. Ensure that you have mentioned your PAN.
15. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.
16. Ensure that the Demographic Details are updated, true and correct, in all respects.

**DON'Ts:**

1. Do not submit an ASBA if you are not a resident as defined in the FEMA and not an Eligible Bidder.
2. Do not Bid at any price within the Price Band other than at Cut-Off Price.
3. Do not Bid with more than a single option as to the number of Equity Shares Bid for.
4. Do not revise your Bid.
5. Do not Bid for lower than the minimum Bid size.
6. Do not Bid on another ASBA or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
7. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Accounts shall not be accepted under the ASBA process.
8. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch of the SCSB only.
9. Do not submit the GIR number instead of the PAN Number.

**ASBA Bidder's Depository Account and Bank Details**



ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALIZED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Form, the ASBA Bidder is deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice would be mailed at the address of the ASBA Bidder as per the Demographic details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, our Company or the Registrar to the Issue shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.

### **ASBA Bids under Power of Attorney**

In case an ASBA Bidder makes a Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such Bids. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

### **OTHER INSTRUCTIONS**

#### **Withdrawal of ASBA Bids**

The ASBA Bidders are not entitled to revise their Bid. However, they can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the Basis of Allotment.



### Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

### Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

### Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act on the ASBA form. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs.** It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

### RIGHT TO REJECT ASBA BIDS

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

### Grounds for Technical Rejections under the ASBA Process

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;
5. Bids at a price other than at the Cut-off Price;
8. PAN not stated, or GIR number furnished instead of PAN;
9. Bids for number of Equity Shares, which are not in multiples of [●];
10. Authorization for blocking funds in the ASBA Account not ticked or provided;
11. Multiple Bids as defined in the Red Herring Prospectus;
12. In case of Bid under power of attorney, relevant documents are not submitted;
13. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;
14. ASBA Form does not have the Bidder's depository account details;
15. ASBA Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Form and the Red Herring Prospectus;
16. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
17. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and
18. If the ASBA Bid in the Issue is revised.





## **COMMUNICATIONS**

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

### **Disposal of Investor Grievances**

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

## **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE**

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, we undertake that:

- Allotment and transfer shall be made only in dematerialized form within 12 Working days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- We shall pay interest at 15% p.a. for any delay beyond the 12 Working days period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 12 Working days of the Bid/Issue Closing Date.

### **Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue**

Bids received from ASBA Bidders will be considered at par with Bids received from other Bidders. No preference shall be given vis-à-vis ASBA and other Bidders.

## **UNDERTAKING BY OUR COMPANY**

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;



3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.

4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.

6. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

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

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with the Board.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;

ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and

iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

#### **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Civil Construction) is allowed upto 100% under the automatic route. RBI, *vide* its



circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

### **Investment by Non-Resident Indians**

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

### **Investment by Foreign Institutional Investors**

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of the total issued capital of that Company.

### **Registration of Equity Shares under US Laws**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, ‘U.S. persons’ (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to ‘qualified institutional buyers’, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

**The above information is given for the benefit of the Bidders and neither Our Company nor are the BRLM liable for any changes in the regulations after the date of the Red Herring Prospectus.**



## SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

#### Table “A” Not to Apply

The Regulations contained in Table “A” in Schedule I of the Companies Act shall not apply to our Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles of Association by the Companies Act.

The Authorized Capital of our Company is ₹ 15.00 Crores divided into 1,50,00,000 Equity Shares of ₹ 10 each.

#### SHARE CAPITAL AND VARIATION OF RIGHTS

Title of Article	Article No.	Contents
Share Capital	5	<p>(a) The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/ or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.</p> <p>(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up in such equity shares respectively at the commencement of the winding up.</p>
Increase Reduction and Alteration of Capital	6	The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.
On what conditions the new shares may be issued	6(a)	Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to

		the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.
Further Issue of Shares	6(b)	<p>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, whether out of un-issued share capital or out of the increased share capital.</p> <p>(I) Such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice shall contain a statement of this right.  <b>PROVIDED THAT</b> the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.</p> <p>(iv) after the expiry of the specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.</p>
	6(b)(v)	<p>Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.</p> <p>(i) If a special resolution to that effect is passed by the Company in General Meeting, or</p> <p>(ii) Where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p>
	6(b)(vi)	<p>(d) Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>(i) To extend the time within which the offer should be accepted; or</p> <p>(ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p>

	6(b)(vii)	<p>(e) Nothing in this Article shall apply to the increase of the subscribed capital of, the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company :</p> <p>(i) To convert such debentures or loans into shares in the Company; or</p> <p>(ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).</p> <p><b>PROVIDED THAT</b> the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;</p> <p>(i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and</p> <p>(ii) in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.</p>
Directors may allot shares as fully paid up	6(c)	<p>Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.</p>
Same as Original Capital	6(d)	<p>Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.</p>
Power to Issue Redeemable Preference Shares	7	<p>(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed;</p> <p>Provided that :</p> <p>(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;</p> <p>(ii) no such shares shall be redeemed unless they are fully paid;</p> <p>(iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.</p> <p>(iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would</p>

		<p>otherwise have been available for dividend, be transferred to a reserve fund, to be called “the capital redemption reserve account”, a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.</p> <p>(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.</p> <p>(c) The redemption of preference shares under these provisions by the company shall not be taken as reducing the amount of its Authorised Share Capital.</p> <p>(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.</p> <p>Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.</p> <p>(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares</p>
<p>Provision in case of Redemption of Preference Shares</p>	<p>8</p>	<p>The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months’ previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:</p>
	<p>8(a)</p>	<p>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</p>
	<p>8(b)</p>	<p>Forthwith after every such drawing, the Company shall notify the</p>

		<p>shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such share-holders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.</p>
	8(c)	<p>Subject to the provisions of Section 180 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference Shares,</p> <p>(i)The Company may within such time as may be specified in these Articles by an amendment thereof from the date of issue of the shares, apply any; profits or moneys of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par, together with a sum equal to arrears of dividend thereon drawn to the date of redemption.</p> <p>(ii)In the case of any partial redemption under sub-clause(c) (i) of the Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawal to be made at the Registered Office or at such other: place as the Directors may decide, in the presence of a representative " of the Auditors for the time being of the Company.</p> <p>(iii)Forthwith after every such drawal the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for redemption and surrender of the shares to be redeemed.</p> <p>(iv)At the time and place so fixed each holder shall be bound to surrender: to the Company the certificate for his shares to be redeemed payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.</p> <p>(v)Any of the Redeemable Cumulative Preference Shares not previously redeemed under the foregoing provisions shall be redeemed at the expiry of 5 years from the date of the issue of the shares at par together with all arrears of the dividend thereon (whether earned or declared or not up to the date).</p>
	8(d)	<p>Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the preference shares then outstanding, PROVIDED in the event of its creating, and/or issuing further preference shares ranking pari passu with the Preference Shares then outstanding the Company would do so only with the consent of the \ holders of not less than three-fourths of the</p>



		preference shares then outstanding.
	8(e)	The Redeemable Cumulative Preference Shares shall not confer upon the holders thereof the right to vote their in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 87 (2) of the Act.
	8(f)	The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.
Cumulative convertible preference shares	9	Subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the provisions of the Act and/or the provisions of the Capital Issues (Control) Act, 1947, the Company may issue Cumulative Convertible Preference Shares (CCP) in such manner as the Board of Directors of the Company may decide and specifically provide for: (i) the Quantum of issue; (ii) the terms of the issue with particular reference to the conversion of CCP into the equity shares of the Company; (iii) The rate of cumulative preferential dividend payable on CCP, the voting rights to be attached to CCP and any other terms and conditions which may be attached to the issue of CCP and as permissible in law.
Reduction of Share Capital	10	The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:  (a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;  (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or  (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital and of its shares accordingly.
Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares	11	Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:  (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

		<p>nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.</p> <p>(c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.</p> <p>(d) cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</p>
<p>Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks</p>	<p>12</p>	<p>(a) If the Company has :</p> <ul style="list-style-type: none"> <li>(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;</li> <li>(ii) converted any shares into stock;</li> <li>(iii) reconverted any stock into shares;</li> <li>(iv) sub-divided its share or any of them;</li> <li>(v) redeemed any redeemable preference shares; or</li> <li>(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act.</li> </ul> <p>the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.</p> <p>(b) the Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</p>
<p>Modification of rights</p>	<p>13</p>	<p>If at any time the share capital by reason of the issue of Preference Share or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article is omitted. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 102 is not present, those persons who are present shall be quorum.</p>



### SHARES AND CERTIFICATES

Issue of further shares not to affect right of existing shareholders	14	The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.
Provisions of Sections 85 to 88 of the Act to apply	15	The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company
Register of Members and Debenture holders	16	<p>(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.</p> <p>(b) The Company shall also comply with provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.</p> <p>(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof;</p>
Commencement of business	17	The Company shall comply with the provisions of Section 149 of the Act.
Restriction on allotment	18	The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.
Shares to be numbered progressively and no shares to be sub-divided	19	The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Shares at the disposal of the Directors	20	Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in general meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
Every share transferable etc.	21	(i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

		<p>(ii) Each share in the Company shall be distinguished by its appropriate number.</p> <p>(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie, evidence of the title of the member of such shares.</p>
Application of premium received on issue of shares	22	<p>(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called “the share premium account” and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.</p> <p>(b) The Share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company:</p> <ul style="list-style-type: none"> <li>(i) in paying up un-issued shares of the Company to be issued to members of the company as fully paid bonus shares;</li> <li>(ii) in writing off the preliminary expenses of the Company;</li> <li>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; or</li> <li>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company;</li> </ul>
Sale of fractional Shares	23	<p>If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any share are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
Acceptance of Shares	24	<p>An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.</p>
Deposits and calls etc, to be a debt payable immediately	25	<p>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</p>

		allottee thereof, and shall be paid by him accordingly.
Trusts not recognised	26	Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.
Issue of Certificate of Shares to be governed by Section 84 of the Act etc.	28(a)	The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, If any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.
Certificate of Shares	28(b)	The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
	28(c)	The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.
Limitation of time of issue of certificates	29	<p>(a) Every member shall be entitled, without payment, to one Certificate for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Director shall prescribe or approve provided that in respect of a Share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>(b) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.</p>
Issue of new certificate in place	30	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,

<p>of one defaced, lost or destroyed</p>		<p>then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificates under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re.1/- for each certificate) as the Directors shall prescribe. Out-of-pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to debenture of the Company.</p>
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#### UNDERWRITING COMMISSION AND BROKERAGE

Title of Article	Article No.	Contents
<p>Power to pay certain commission and prohibition of payment of all other commissions, discounts etc.</p>	<p>31(A)</p>	<p>The Company may pay a commission to any person in consideration of :</p> <ul style="list-style-type: none"> <li>(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or</li> <li>(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely : <ul style="list-style-type: none"> <li>(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;</li> <li>(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;</li> <li>(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and</li> <li>(d) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.</li> </ul> </li> </ul>

	31(B)	Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of : (i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or; (ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise
	30(C)	Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
	30(D)	A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.
	30(E)	The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.

## CALLS

Title of Article	Article No.	Contents
Directors may make calls	32	The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and such member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.
Calls to date from Resolution	33	A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members/debenture holders on a subsequent date to be specified by the Directors

Notice of call	34	Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture holders revoke the same.
Directors may extend time	35	The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
Sums deemed to be calls	36	Any sum, which by the terms of issue of share/debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
Installments on shares to be duly paid	37	If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative
Calls on shares of the same class to be made on uniform basis	38	Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. <b>Explanation :</b> For the purpose of this provisions, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class
Liability of Joint holders	39	The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
When interest on call or installment payable	40	If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Partial payment not to preclude forfeiture	41	Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Proof on trial of suits for money due on shares	42	On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the



		holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	43	<p>(a) The Directors may, if they think fit, subject to the provision of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.</p> <p>(b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.</p>

#### LIEN

Title of Article	Article No.	Contents
Company's lien on Shares/ Debentures	44	The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
As to enforcing lien by sale	45	For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may

		authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
Application of proceeds of sale	46(a)	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.
Outsiders lien not to affect company's lien	46(b)	The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

#### FORFEITURE

Title of Article	Article No.	Contents
If money payable on Shares not paid notice to be given	47(a)	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 debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	47(b)	The notice shall name a day not being less than one month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited
In default of payment Shares to be forfeited	48	If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or

		installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.
Entry of forfeiture in Register of member/debenture holders	49	When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name in stood, immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
Forfeited Shares to be the property of Company and may be sold etc.	50	Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Power to annual forfeiture	51	The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.
Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest	52	Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.
Effects of forfeiture	53	The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Certificate of forfeiture	54	A Certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a Share or debenture was made and notice thereof given and that default in payment of the call was made and that the forfeiture of the share or debenture was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.
Validity of sales under Articles 45 and 50	55	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after

		his name has been entered in the Register of members or debenture holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.
Cancellation of shares certificates in respect of forfeited Shares	56	Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Title of purchaser and allottee of forfeited shares /debentures	57	The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.
Surrender of Shares or Debentures	58	The Directors may subject to the provisions of the Act, accept surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

#### TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Title of Article	Article No.	Contents
Register of Transfers	59	The company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.
Form of Transfer	60	The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.
Instrument of transfer to be executed by transferor and transferee	61	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	62	(a) Subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

		(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.
Transfer of Shares	63(a)	An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
	63(b)	For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.
	63(c)	It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.
	63(d)	Nothing in clause (c) above shall prejudice any power of the company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
	63(e)	Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
Custody of Instrument of transfer	64(a)	The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
Transfer books and Register of members when closed	65	The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.
No transfers to minors etc.	66	Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures are transferred to any insolvent or a person of

		unsound mind.
Titles of Shares of deceased Member	67	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member.
Registration of persons entitled to Shares otherwise than by transfer	68(a)	Subject to the provisions of Articles 67 and 77 (d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
	68(b)	A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.
Claimant to be entitled to same advantage	69	The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and others advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
Person entitled may receive dividend without being registered as a Member	70	A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share/Debenture.
	70(b)	Article 70 shall not prejudice the provisions of Articles 44 and 55.
Refusal to register	71	The Directors shall have the same right to refuse on legal ground to

nominee		register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Directors may require evidence of transmission	72	Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
No Fee on transfer or transmission	73	No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
The Company not liable for disregard of a notice prohibiting registration of transfer	74	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.
	75	The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

### JOINT HOLDERS

Title of Article	Article No.	Contents
Joint-holder	76	Where two or more persons are registered as the holders of any shares/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.
No transfer to more than four persons as joint-holders	76(a)	In the case of a transfer of shares/ debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders
Transfer by joint holders	76(b)	The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debenture
Death of one or more joint holders	76(c)	On the death of any one or more of such joint holders the survivor/ survivors shall be the only person or persons recognised by the company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.
Receipt of one	76(d)	Any one of such joint holders may give effectual receipts of any

sufficient		dividends, interests or other moneys payable in respect of such share/debenture.
Delivery of certificate and giving of notices to first named holder	76(e)	Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.
Vote of joint holders	76(f)	(i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

### BORROWING POWERS

Title of Article	Article No.	Contents
Borrowing Powers	77(a)	Subject to the provisions of Sections 58A, 292 and 293 of the Act and of these Articles and subject to any restriction imposed by Reserve Bank of India., Board of Directors, 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 accept deposits, raise loans or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided' however where the moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's -Bankers in the ordinary course of business, exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be paid or effectual unless the tender or proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
Term To Issue Debenture	77(b)	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, standing (but not voting) at the general



		Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Bonds, debentures, etc. to be subject to control of Directors	78	Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Provided that bonds, debentures, debenture stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting by a special resolution.
Securities may be assignable free from equities	79	Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.
Issue at discount etc. or with special privileges	80	With the previous authority of Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with the provisions of Section 79 of the Act, it will be lawful for the Directors to issue at a discount, shares of a class already issued. Debentures with voting rights not to be issued
Debentures with voting rights not to be issued	81(a)	The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
	81(b)	The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.
	81(c)	Payment of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
	81(d)	Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.
	81(e)	The term 'charge' shall include mortgage in these Articles.
	81(f)	A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.
Limitation of time for issue of certificate	82	The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide. The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the company is for any reason entitled to refuse to register and does not register.
Right to obtain copies of and inspect Trust Deed	83	(i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment. (1) In the case of a printed Trust Deed of the sum of Rupee One and (2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional

		<p>part thereof required to be copied.</p> <p>(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.</p>
Mortgage of uncalled capital	84	If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
Indemnity may be given	85	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
Registration of charges	86(a)	The provisions of the Act relating to registration of charges shall be complied with.
	86(b)	In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.
	86(c)	Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 125 of the Act.
	86(d)	Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
	86(e)	In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.
	86(f)	The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.
	86(g)	The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
	86(h)	The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.
	86(i)	The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.
	86(j)	As to modification of charges the Company shall comply with the provisions of Section 135 of the Act.
	86(k)	The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the

		registered officer of the company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Manager as therein provided.
	86(l)	The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.
	86(m)	The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case. (i) a short description of the property charged. (ii) the amount of the charge; and (iv) except in the case of securities to bearer, the names of persons entitled to the charge.
	86(n)	Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.
Trust not recognised	87	No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

#### SHARE WARRANTS

Title of Article	Article No.	Contents
Power to issue share warrants	88	The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	89	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant  (b) Not more than one person shall be recognized as depositor of the Share Warrant  (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of share warrant	90	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

		(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	91	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article No.	Contents
Share may be converted into stock	92	The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.
Right of stock holders	93	The holders of stock shall, according to the amount of stock, held by them have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the share from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.

### GENERAL MEETING

Title of Article	Article No.	Contents
Annual General Meeting	95	Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in 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.
Time and place of Annual General Meeting	96	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 meetings	97	Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general

		meetings of the Company.
Powers of Director's to call Extraordinary General meeting	98	The Directors may call an extraordinary general meeting of the Company whenever they think fit.
Calling of Extra Ordinary General Meeting on requisition	99	<p>(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.</p> <p>(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.</p> <p>(c) The requisition may consist of several documents in the like form, each signed by one or more requisitionists.</p> <p>(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.</p> <p>(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.</p> <p>(f) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:</p> <ul style="list-style-type: none"> <li>(i) by the requisitionists themselves;</li> <li>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.</li> </ul> <p><b>Explanation</b> : For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.</p> <p>(g) A meeting called under clause (f) above, by the requisitionists or any of them:</p> <ul style="list-style-type: none"> <li>(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but</li> <li>(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</li> </ul> <p><b>Explanation</b> : Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from</p>

		<p>adjourning to some day after the expiry of that period.</p> <p>(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.</p> <p>(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice for calling meeting	100	<p>(a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.</p> <p>(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;</p> <p>(i) in the case of an annual general meeting by all the members entitled to vote thereat; and</p> <p>(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting;</p> <p>Provided that where 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 clause in respect of the former resolution or resolutions and not in respect of the latter.</p>
Contents and manner of service of notice and persons on whom it is to be served	101	<p>(a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(b) Notice of every meeting of the Company shall be given.</p> <p>(i) to every member of the Company, in any manner authorized by sub-sections (1) to (4) of Section 53 of the Act;</p> <p>(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</p> <p>(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company and</p> <p>(iv) to all the Directors of the Company.</p> <p>Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p>

		(c)The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
Explanatory statement to be annexed to notice	102	<p>(A) For the purpose of this Article :</p> <ul style="list-style-type: none"> <li>(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with exception of business relating to: <ul style="list-style-type: none"> <li>(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</li> <li>(b) the declaration of a dividend;</li> <li>(c) the appointment of Directors in the place of those retiring, and</li> <li>(d) the appoint of and the fixing of the remuneration of the auditors, and</li> </ul> </li> <li>(ii) in the case of any other meetings, all business shall be deemed special.</li> </ul> <p>(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.</p> <p>Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the provision to sub-section (2) of Section 173 of the Act.</p> <p>(C) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statements aforesaid.</p>
Quorum for meeting	103(a)	Five members personally present shall be the quorum for a general meeting of the company.
If quorum not present meeting to be dissolved or adjourned	103(b)	<ul style="list-style-type: none"> <li>(i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.</li> <li>(ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.</li> </ul>
Presence of quorum	103(c)	No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.
Adjourned meeting to transact business	104(a)	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..
Business confined to election of chairman whilst chair is vacant	107	No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
Chairman of	105(b)	(i) The Chairman of the Board of Directors shall be entitled to take

general meeting		<p>the chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.</p> <p>(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.</p>
Chairman with consent may adjourn the meeting	106	The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.
Business at adjourned meeting	107	No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
Notice of adjourned meeting	108	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	109	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	110(a)	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting. Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.
	110(b)	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.
	110(c)	The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (fourty eight) hours before the meeting in order that the appointment may be effective thereat.
	110(d)	The instrument appointing a proxy shall : <ul style="list-style-type: none"> <li>(i) be in writing and</li> <li>(ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.</li> </ul>
Form of Proxy	110(e)	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual



		common form.
	110(f)	An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.
	110(g)	Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

### VOTES OF MEMBERS

Title of Article	Article No.	Article Contents
Restriction on exercise of voting rights of Members who have not paid calls	111	<p>a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.</p> <p>(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187B of the Act.</p>
Restriction on exercise of voting right in other cases to be void	112	A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.
Equal rights of share holders	113	Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
Voting to be by show of hands in first instance	114	<p>At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.</p> <p>(a) Subject to the provisions of the Act, upon show of hands every members entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.</p> <p>(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 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.</p>

Votes in rights of member's unsound mind.	115	A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
Votes in respect of shares of deceased or insolvent members etc.	116	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 of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof
Custody of Instrument	117	If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.
Validity of votes given by proxy notwithstanding death of members etc.	118	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.
Time for objections for vote	119	No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting of poll whatsoever.
Chairman of any meeting to be the judge of any vote	120	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Chairman's declaration of result of voting by show of hands to be conclusive	121	A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
Demand for poll	122	(a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

		(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Time of taking poll	124	(a) A poll demanded on a question of adjournment shall be taken forthwith.  (b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.
Rights of Members to use votes differently	125	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Scrutinizers at poll	126	(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 scrutinizer 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	127	(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
Casting Vote	128	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.
Representation of Body Corporate	129	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.
Representation of the President of India or Governors	130(a)	The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.
	130(b)	A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.
	130(c)	The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.

Circulation of member's resolution	131	The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolutions.
Resolution requiring special notice	133	The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.
Resolutions passed at adjourned meeting	134	The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.
Registration of resolutions and agreements	135	The Company shall comply the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.
Minutes of proceedings of general meeting and of Board and other meetings	136(a)	The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
	136(b)	Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: <ul style="list-style-type: none"> <li>(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</li> </ul>
	136(c)	In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
	136(d)	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
	136(e)	All appointment of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
	136(f)	In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain: <ul style="list-style-type: none"> <li>(i) the names of the Directors present at the meetings, and</li> <li>(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.</li> </ul>
	136(g)	Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting : <ul style="list-style-type: none"> <li>(i) is or could reasonably be regarded, as defamatory of any person</li> <li>(ii) is irrelevant or immaterial to the proceedings; or</li> <li>(iii) is detrimental to the interests of the Company.</li> </ul> <p>The Chairman shall exercise an absolute discretion in regard to the</p>

		inclusion or no-inclusion of any matter in the minutes on the grounds specified in this clause.
Minutes to be considered to be evidence	136(h)	The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.
Presumptions to be drawn where minutes duly drawn and signed	137	Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.
Inspection of Minute Books of General Meetings	138	(a) The books containing the minutes of the proceedings of any general meeting of the Company shall; (i) be kept at the registered office of the Company, and (ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection. (b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.
Publication of reports of proceeding of general meetings	139	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

### MANAGERIAL PERSONNEL

Title of Article	Article No.	Contents
Managerial Personnel	140	The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.
Number of Directors	141	Until otherwise determined by the Company in general meeting ,the number of Directors shall not be less than three and more than twelve he appointment of the Directors exceeding 12 will be subject to the Provisions of Section 259 of the Act.

### BOARD OF DIRECTORS

Title of Article	Article No.	Article Contents
First Directors	142	The subscribers to the memorandum and articles of association of the Company shall be first directors of the Company.
Debenture	143	Any Trust Deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time by the

Directors		Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as Debenture Director and the term I/Debenture Director means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and all such provisions shall effect notwithstanding any of the Provisions herein contained.
Debenture Director	129	Any Trust Deed for securing debentures or debenture stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debenture stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
Nominee Director	144	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as “the Corporation”) continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to

	<p>appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.</p> <p>The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director's is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.</p> <p><b>Provided that</b> if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.</p> <p>Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a 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</p>
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		by the Lenders.
Special Directors	145	<p>(a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as “Collaborator”) to appoint from time to time any person or persons as Director or Directors of the Company (hereinafter referred to as “Special Director”) and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification share to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.</p>
Limit on the number of Non-Retiring Director	146	Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 130 and 131 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
Appointment of Alternate Directors	147	<p>(a) The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.</p> <p>(b) An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.</p> <p>(c) If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.</p>
Appointment of Additional Director	148	Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these



		Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment.
Appointment of Director to fill the casual vacancy	148	Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
Individual Resolution for Directors' appointment	150	At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring Director by virtue of these Articles and the Act in default of another appointment shall apply.
Qualification shares	151	A person to become a Director of the Company does not require to hold any Qualification share in the capital of the company
Remuneration of Directors	152	<p>The remuneration of a Director for his service shall be such sum as may be fixed by the Board of Directors subject to a ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board or a Committee thereof attended by him. The Directors subject to the sanction of the Central Government (any required) may be paid, such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors. Iii such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.</p> <p>Whole time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XUI of the Act either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration as provided in Sections 198,309,310 and 311 of the Act and Schedule XIII of the Act either:</p> <ul style="list-style-type: none"> <li>(I) by way of a monthly, Quarterly or annual payment with the approval of the Central Government, or</li> <li>(II) By way of commission if the Company by special resolution authorised such payment.</li> </ul>

		A Director may receive remuneration by way of a fee for each meeting of the Board or a committee thereof attended by him as prescribed by Central Government.
Extra remuneration to directors	153	Subject to the provisions of Section 198,309,310,311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing Share Certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in Substitution for his share in the remuneration above provided.
Traveling and other expenses	154	The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.
Increase in Remuneration of Directors	155	Any provisions relating to the remuneration of any Director including a Managing or Joint Managing or Wholetime Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or its Articles, or in an agreement entered into by it or any resolution, passed by the Company in general meeting or by the Board of Directors, shall require 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.
Directors not to act when number falls below minimum	156	When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.
Eligibility	157	A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.
Directors vacating office	158	(a) The Office of a Director shall become vacant if; <ul style="list-style-type: none"> <li>(i) he is found to be of unsound mind by a Court of competent jurisdiction;</li> <li>(ii) he applied to be adjudicated an insolvent;</li> <li>(iii) he is adjudged an insolvent;</li> <li>(iv) he is convicted by a Court, of ay offence involving moral turpitude and sentenced in respect thereof the imprisonment for not less than six months;</li> <li>(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six</li> </ul>

		<p>months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;</p> <ul style="list-style-type: none"> <li>(vi) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;</li> <li>(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;</li> <li>(viii) he acts in contravention of Section 299 of the Act;</li> <li>(ix) he becomes disqualified by an order of Court under Section 203 of the Act;</li> <li>(x) he is removed in pursuance of Section 284 of the Act;</li> <li>(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> <li>(xii) He resigns his office by notice in writing given to the Company.</li> </ul> <p>(b) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not take effect;</p> <ul style="list-style-type: none"> <li>(I) for thirty days from the date of the adjudication, sentence or order;</li> <li>(ii) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off, or</li> <li>(iii) Where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</li> </ul>
Removal of Directors	159	<p>a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director other than ex-officio Directors or special Directors or debenture Directors or a nominee Director or a Director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.</p> <p>(b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this</p>

		<p>Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.</p> <p>(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so,</p> <ul style="list-style-type: none"> <li>(i) in the notice of the resolution given to members of the Company states the fact of the representations having been made, and</li> <li>(ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.</li> </ul> <p>(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly;</p> <p>Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken;</p> <ul style="list-style-type: none"> <li>(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</li> <li>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</li> </ul>
Directors may contract with Company	160	<p>(a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other Officer or employee of the Company shall be disqualified from holding</p>

		<p>his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director, other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, Officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.</p> <p>(b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.</p> <p>Provided that above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.</p> <p>(c) A General notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.</p>
Disclosure of directors interest	161	<p>(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company; shall disclose the nature of his concern of interest at a meeting of the Board of Directors; in the manner provided in Section 299 (2) of "the Act.</p> <p>(2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested,</p> <p>(b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the board held after the Director becomes concerned or interested in the contract or arrangement,</p> <p>(3) (a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to and contract or</p>

		<p>arrangement so made,</p> <p>(b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year in which it would otherwise expire</p> <p>(c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given</p> <p>(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where anyone or two or more of Directors together holds or hold not more than two percent of the paid up share capital in other company,</p>
<p>Board Resolution necessary for certain contracts</p>	<p>162</p>	<p>Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner- any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company</p> <p>(a) For the sale, purchase or supply of any goods, materials or services;</p> <p>or</p> <p>(C)For underwriting the subscription of any share in or debentures of the Company,</p> <p>(2)Nothing contained in sub-clause (a) of clause (1) shall affect –</p> <p>(a) the purchase of goods and materials from the Company of the sale of goods and materials to the Company by any Director, relative, firm, partner or private any as aforesaid for cash at prevailing market prices; or</p> <p>(3)Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into.</p> <p>(4)Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>(5)If the consent is not accorded to any contract under this</p>

		<p>Article anything done in pursuance of the contract will be avoidable at the option of the Board.</p> <p>Disclosures to the Members of Directors' Interest in Contract in Appointing Manager Managing Director or Secretaries and Treasurers</p>
If the Company-	163	<p>(A)enters into a contract for the appointment of a Manager or Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested; or</p> <p>(B)Varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>
Holding of office of profit by Directors etc	164	<p>(1) Except with the consent of the Company accorded by a special resolution:</p> <p>(a) No Director of the Company shall hold any office or place .of profit; and</p> <p>(b) No partner or relative of such a Director, no firm in which such a Director or relative of such Director is partner, no private. company of which such a Director is a Director or member, and no Director or manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of such sum as may be prescribed, except that of Managing Director or Manager, banker or trustee for the holders of debentures of the Company:</p> <p>(i) under the Company; or ,</p> <p>(ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of.</p>

	<p>profit is paid over to the Company or its holding Company PROVIDED that it shall be sufficient if the special resolution according consent of the Company, is passed at the general meeting of the Company held for the first time after the holding of such office 'or place of profit</p> <p>For the purpose of this clause a special resolution according c9nsent shall be necessary for every appointment in the first instance to an office or place of profit and [0 every subsequent appointment in the first stance to an office or place " of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution;</p> <p>(2)Nothing in Clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company,</p> <p>(3)If any office or place or profit is held in contravention of the provisions of sub- clause (1), above or except as provided by clause (2) above, the Director, partner, relative, firm, private company or manager concerned shall be deemed to have vacated his or' its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above or, as the case may be, the date of expiry of the period of three months referred to in the Second proviso to clause (1) above, and shall also liable J to refund to the Company remuneration received or the monetary equivalent of any perquisite or advantage. enjoyed by him or it for the period immediately' preceding the date aforesaid in respect of such office or place of profit,</p> <p>(4)Every individual, firm, private company, or other body corporate proposed to be appointed to any office or place of profit to which this article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with the Director of the Company in any of the ways referred to in clause (1),</p> <p>(5) Any office of place shall be deemed to be an office or place of profit under the Company within the meaning of Clause (1)</p> <p>(a)in case the office or place is held by a Director, if the director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence of otherwise</p> <p>(b) In case the office or place is held by an individual other than Director of by any firm, private company or other body corporate if the individual firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission,. Perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.</p> <p>(6) Notwithstanding anything contained in sub-cause (1)</p> <p>(a) no partner or relative of Director or Manager;</p> <p>(b) no firm in which such Director or Manager or relative of either is</p> <p style="padding-left: 40px;">a</p> <p style="padding-left: 40px;">Partner;</p> <p>(c) no Private Company of which such a Director or Manager or relative of either is a Director or member shall hold any office or place of profit in the Company which carries a total monthly</p>
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		remuneration of not less than such sum as may be prescribed except with the prior consent of the Company by a Special Resolution and the approval of the Central Government Loans to Director etc
Company's power for the borrowings	165	<p>The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with loan made by any other person to, or any other person by-</p> <p>(A) Any Director of the Company or any partner or relative of any such Director;</p> <p>(b) any firm in which any such Director or relative is a partner;</p> <p>(c) any private company of which any such Director is a Director or member;</p> <p>(D) any body corporate at a general meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or</p> <p>(e) any body corporate, the Board of Directors, Managing Director or Manager whereof, is accustomed to act in accordance with the directions or instruction of the Board, or of any Director or Directors of the Company Loans to Companies</p>
Register of Contracts in which Directors are Interested	168	<p>(i) The Company shall keep one or more Registers in which it shall be entered separately particulars of all contracts and arrangements to which Sections 297 and 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:</p> <p>(a) the date of the contract or arrangement;</p> <p>(b) the names of the parties thereto;</p> <p>(c) the principal terms and conditions thereof;</p> <p>(d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;</p> <p>(e) the names of the Directors voting for and against the contract or Arrangement</p> <p>And the names of those remain neutral.</p> <p>(i) Particulars of every such contract or arrangement to which Section (ii) 297 of the Act or as the case may be sub-section (2) of Section 299 applies shall be entered in the relevant register aforesaid-</p> <p>(a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;</p> <p>(b) in the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of Such other contract or .arrangement whichever is later, and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.</p> <p>(c) the register shall be kept at the registered office of the Company, and 'it shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.</p>

		<p>(iii) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.</p> <p>(iv) Nothing in Clauses (i), (ii) and (iii) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed rupees. one thousand in the aggregate in any year.</p>
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### ROTATION OF DIRECTORS

Title of Article	Article No	Article Contents
Directors may be Director of companies promoted by the company	169	<p>A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.</p> <p>Not less than two thirds of the total number of Directors shall:</p> <p>(a) be persons whose period of 'office is liable to determination by .retirement of Directors by rotation, and</p> <p>(b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.</p> <p>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</p>
Ascertainment of Directors retiring by rotation and filling up vacancies	154	<p>(a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.</p> <p>The Debenture directors, Corporation Directors, special Director and subject to Article 146 Chairman, Managing director or whole time director if any, shall not be taken into account in determining the number of Directors to retire by rotation. In this Article a retiring Director means retiring by rotation.</p> <p>(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</p> <p>(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill</p>

		<p>the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:</p> <ol style="list-style-type: none"> <li>(1) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</li> <li>(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</li> <li>(3) he is not qualified or is disqualified for appointment;</li> <li>(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or</li> </ol> <p>(e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p>
Right of persons other than retiring Directors to stand for Directorship	171	<p>(a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member or members to propose him as a candidate for that office, as the case may be alongwith a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.</p> <p>(b) The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.</p>
Consent of candidate for Directorship to be filed with the Registrar	172	<p>Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.</p>
Company may Increase or Reduce the Number of Directors or Remove any Director	173	<p>Subject to the provisions of Sections 252, 255 and 259 of the Act, and these articles the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.</p>
Appointment of directors to be voted individually	174	<p>(1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution' unless a resolution that it shall be so made, has been first agreed to by the meeting without any vote being given against it.</p> <p>(2) A resolution moved' in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.</p> <p>(3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for, appointment all be treated as a motion for his appointment.</p>

<p>Notice of candidates for office of Directors except in certain cases</p>	<p>175</p>	<p>(1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at, least fourteen days before the meeting, left at the office of the Company a notice, in writing under his hand signifying his candidature for the office of a Director or, the intention of such member to propose him as a Director for 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."</p> <p>(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall, not be necessary for the Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.</p> <p>(3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.</p> <p>(4) A person, other than –</p> <p>(a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or .</p> <p>(b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate" Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director</p>
<p>Register of directors and notification of charge to registrar</p>	<p>176</p>	<p>(1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and, shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects,</p> <p>(2) The Company shall keep at its Registered Office a Register showing as respects each Director of the Company the number, description, and amount of any shares held in or debentures of the company or any other body corporate being the company's subsidiary or holding company or a subsidiary of the company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture holder of the company as required by section 307 (5) of the Act.</p>
<p>Disclosure by directors and notification of charge</p>	<p>177</p>	<p>Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be relinquishment of such office dispose to the company the particulars relating to the</p>

		office' in the other body corporate which are required to be specified under-sub-section (1) of Section 303 of the Act.
Disclosure of directors of their holdings of shares and debentures, of the company	178	Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

### PROCEEDINGS OF THE DIRECTORS

Title of Article	Article No	Article Contents
Meetings of Directors	179	The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.
When meeting to be convened	180	Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.
Directors entitled to notice	181	Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.
Appointment of Chairman	182	The Directors may from time to time elect from among themselves a chairman of the Board and determine the period for which he is to hold office. If at any Meeting of the Board, the chairman is not present within fifteen minutes after the time appointment for holding the same the Directors present may choose one of their members to be chairman of the meeting.
Quorum at Board Meeting	183	Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors if any; whose places may be vacant at the time and any, fraction contained in that one-third being rounded off as one, or two Directors, whichever is higher PROVIDED THAT WHERE AT ANY TIME THE NUMBER OF INTERESTED Directors exceeds or is equal to two-thirds of the total strength of the number of remaining Director that is to say, the number of Directors' who are not interested present at the meeting being not less than two, shall be the quorum during such time,
Appointment of managing director/whole time director	184	(a) Subject to the provisions of Sections 267,268,269,309,310: 311, 316, 317 and other applicable provisions, if any, of the Act and these Articles the Board of Directors may from time to time appoint one or more Director or Directors to be Managing Director/s or Whole time Director/s of the Company for a fixed term not exceeding five years at a time or for such period as may be prescribed by the Act or the Central Government from time to time upon such terms and conditions as the Board thinks fit for which he or, they is or ,fire to hold such office and may from time to time remove or dismiss him or them from the office and appoint another or others in his or their place or places (b) Any Managing Director o/s or whole time Director/s so appointed

		<p>shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any General Meeting of the Company.</p> <p>(c) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act and also subject to the limitations, conditions and provisions, of Schedule XIII to the Act, the appointment and payment of remuneration to the above Director/ s shall be subject to approval of the members in general meeting and of the Central Government if required,</p> <p>(d) Subject to the superintendence, control and direction of 'the Board the day to day management of, the Company shall be vested with the Managing Director/s or Whole-time Director/s Managing Director or if any, with Power to the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these Articles.</p>
Meeting of committee, How to be governed	185	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
Directors may appoint committee	186	Subject to the provisions of Section 292 and other provisions of the Act and Article 165 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.
Resolution by circular	187	<p>Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.</p> <p>Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.</p>
Limit of Directors' numbers	188	Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.
Acts of Board or Committee valid notwithstanding defect of appointment	189	All acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had

		terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.
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### POWERS TO BORROW

Title of Article	Article No	Article Contents
	190	Subject to the provisions of Sections 292 and 293 of the Act the Board of Directors may from time to time at their discretion and by means of resolutions passed at their meetings accept deposits from members either in advanced of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purposes of the Company
Conditions on which money may be borrowed	191	The Directors may raise or secure the payment of such sum or sums in such manner .and upon such terms and conditions in all .respects as they think fit, in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolutions passed at their meetings and not by circular resolutions.
Securities may be assignable free from equities	192	Debentures, Debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued
Debenture	193	Debentures debenture-stock bonds nr 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 special privileges as: to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company appointment of Directors and otherwise. Provided however that Debentures/Bonds with the right to allotment or conversion into Shares shall not be issued without the sanction of the Company in General Meeting and/or the Government as the case may be.
Mortgage of uncalled capital	194	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls, shall mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors powers or otherwise and shall be assignable if expressed so to be.

### POWERS OF DIRECTORS

Title of Article	Article No.	Article Contents
Certain powers to be exercised by the Board only at Meetings	195	(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. (i) The power to make calls on shareholders in respect of money unpaid on their shares;

		<ul style="list-style-type: none"> <li>(ii) The power to issue debenture;</li> <li>(iii) The power to borrow moneys otherwise than on debentures;</li> <li>(iv) The power to invest the funds of the Company, and</li> <li>(v) The power to make loans.</li> </ul> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clause (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.</p> <p>(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.</p> <p>(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be and the maximum amount upto which loans may be made for each such purpose in individual cases.</p> <p>(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any other powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.</p>
Restriction on powers of Board	196	<p>(a)The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) remit, or give time for the repayment of any debt, due by a Director;</li> <li>(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;</li> <li>(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</li> <li>(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 average net profits as determined in accordance with</li> </ul>



		the provisions of Sections 349 and 350 of the Act during the three financial years, immediately proceedings, whichever is greater.
	196(b)	Nothing contained in sub-clause (a) above shall affect: (i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or (ii) The selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
	196(c)	Any resolution passed by the Company permitting any transaction such as is referred to in sub clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
	196(d)	No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
General powers of the Company vested in Directors	197	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
Specific powers given to Directors	198	Without prejudice to the general powers conferred by Article 172 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers :
To pay registration expense	(i)	to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
	(ii)	to pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
To acquire property	(iii)	Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or

		acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;
To purchase lands, buildings etc.	(iv)	Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
To construct buildings	(v)	To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
To mortgage, charge property	(vi)	To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
To pay for property etc.	(vii)	At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
To insure	(viii)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
To open accounts	(ix)	Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
To secure contracts	(x)	To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
To attach to Shares such conditions	(xi)	To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
To accept surrender of shares	(xii)	To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
To appoint trustees	(xiii)	To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to

		the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
To bring and defend actions	(xiv)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
To refer to arbitration	(xv)	To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
To act on insolvency matters	(xvi)	To act on behalf of the Company in all matters relating to bankrupts and insolvents;
To give receipts	(xvii)	To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.
To authorise acceptances	(xviii)	To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;
To invest moneys	(xix)	Subject to the provisions of Sections 292, 293, 370, 372 of the Act, invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
To provide for personal liabilities	(xx)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the for benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
To give to Directors etc. an interest in business	(xxi)	Subject to such sanction as may be necessary under the Act or these Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
To provide for welfare of employees	(xxii)	To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chaws or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit.
To subscribe to charitable and other funds	(xxiii)	To subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national public or any other useful institutions, object or purposes for any exhibition;

To maintain pension funds	(xxiv)	To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidies and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;
	(xxv)	To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
To create Reserve Fund	(xxvi)	Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividend or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.
To appoint Managers etc.	(xxvii)	To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to

		provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. the provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
To authorise by Power of Attorney	(xxviii)	At any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.
To authorise, delegate	(xxix)	Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of Sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper.
To Negotiate	(xxx)	To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

#### THE SECRETARY

Title of Article	Article No	Article Contents
Secretary	199	Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

#### SEAL

Title of Article	Article No	Article Contents
The Seal , its custody and use	200	(i) The Board of Directors shall provide a Common Seal for the purpose of the Company, shall have power from time to time to destroy the same and substitute a new Seal .in lieu thereof, and the Board shall provide for its safe ,custody for the time being

		<p>under such regulations as the Board may prescribe.</p> <p>(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of the Board of Directors or of a Committee of the Board of Directors authorised by it in that behalf and in the presence of at least one Director and the Secretary or a person authorised for the purpose if there is No Secretary for the time being.</p> <p>Provided however that the certificates of shares shall be signed in the same manner as the certificates of the shares are required to be signed in conformity with the provisions of Companies (Issue of Share Certificates) Rules 1960 and their statutory , modifications for the time being in force.</p>
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### INTEREST OUT OF CAPITAL

Title of Article	Article No	Article Contents
Interest may be paid out of capital	201	Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.

### DIVIDENDS

Title of Article	Article No	Article Content
Dividends out of the profits	202	<p>(i) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf: PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company proposes to decide but 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 accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the .previous approval of the Central Government.</p> <p>(ii) The depreciation shall be provided either</p> <p>(a) to the extent specified in Section 350 of the Act; or</p>

		<p>(b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the company by the specified period in respect of such asset; or</p> <p>(c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the company of its such depreciable asset on the expiry of the specified period;</p> <p>or</p> <p>(d) as regards any other depreciable assets for which no rate of depreciation has been laid down by the Act or any rules made there under on such basis as may be approved by the Central Government by any general order published - in the Official Gazette- or by any special order in the case of the company</p> <p>Provided that where depreciation is provided for in the manner laid down in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the assets is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.</p> <p>(iii) No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or, paying up any amount for the time being unpaid on any shares held by members of the Company.</p> <p>(iv) Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.</p> <p>(v) For the purpose of this Article "Specified period" in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act</p>
Interim Dividends	203	The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	204	Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Capital Paid up in advance and interest not to earn dividend	205	Share the capital is paid in advance of the calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
Dividends in proportion to amount paid up	206	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued in terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly
Right to dividend, right share and bonus shares to	207	Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding anything contained

be held in abeyance pending registration of transfer of shares		<p>in any other provision of this Act, shall-</p> <p>(a) Transfer the dividend. in relation to such shares to the special account referred to in Section 205-A unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and</p> <p>(b) Keep in abeyance in relations to such shares any offer of rights shares under c. clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205.</p>
No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement there from	208	Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.
Effect of transfer of shares	209	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
Dividends how remitted	210	Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
Unpaid Dividend or Dividend Warrant posted	212	<p>(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank as per section 205 A of the Act, and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.</p> <p>(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the investor education and protection fund.</p>
Unpaid or unclaimed dividend	213	No unpaid or unclaimed dividend shall be forfeited by the Board.
Dividend and call together	214	Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.



**CAPITALISATION**

Title of Article	Article No	Article Contents
Capitalisation	215	<p>(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys' investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised :</p> <ul style="list-style-type: none"> <li>(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or</li> <li>(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.</li> </ul> <p>Provided that any amounts standing to the credit of the Share Premium Account may be applied in;</p> <ul style="list-style-type: none"> <li>(1) paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;</li> <li>(2) in writing off the preliminary expenses of the Company;</li> <li>(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or</li> <li>(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.</li> </ul> <p>(b) Such issue and distribution under sub-clause (a) (i) above and such payment to the credit of unpaid share capital under sub-clause (a) (ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.</p> <p>(c) The Directors shall give effect to any such resolution and apply portion of the Profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the</p>

		<p>shares which may have been issued and are not fully paid-up under sub-clause (a)(ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.</p> <p>(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.</p> <p>(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment of diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.</p> <p>(f) When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as at or said and such appointment shall be effective.</p>
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### ACCOUNTS

Title of Article	Article No	Article Contents
Accounts	216	The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.
Books of Account to be kept	217	<p>(a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to :</p> <ul style="list-style-type: none"> <li>(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;</li> <li>(ii) all sales and purchases of goods by the Company; and</li> <li>(iii) The assets and liabilities of the Company.</li> </ul> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company</p>

		<p>shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarized returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.</p> <p>(c) All the aforesaid books shall give a fair and true view of the affairs of the Company of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.</p> <p>(d) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.</p> <p>(e) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.</p>
Inspection by members	218	The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.
Statement of Accounts to be furnished to General Meeting	219	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.
Balance sheet and Profit & loss account	220	<p>(a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.</p> <p>(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.</p> <p>(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.</p>
Authentication of	203	(a)(i) Save as provided by Item (II) this sub-clause every Balance

<p>Balance sheet and Profit &amp; loss account</p>		<p>Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.</p> <p>(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non compliance with the provisions of the above item.</p> <p>(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.</p>
<p>Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance sheet</p>	<p>222</p>	<p>The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.</p>
<p>Board's Report to be attached to Balance Sheet</p>	<p>223</p>	<p>(a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.</p> <p>(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.</p> <p>(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (a) and (b) of Article 203.</p> <p>(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses</p>

		<p>(a) and (c) of this Article are complied with.</p> <p>(f) Every Balance Sheet and Profit and Loss account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.</p>
Right of Members to copies of Balance Sheet and Auditor's Report	224	<p>A copy of every balance sheet including the profit and loss account and the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before' the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as may be permitted by Section 219 of. the Act and as the Company may deem fit, will be sent to every member of the company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the date of the meeting as laid down in Section 219 of the Act Provided that it shall not be necessary to send copies of the documents aforesaid to</p> <p>(a)to a member or holder of the debentures of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the company is unaware</p> <p>(b)To more than. one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.</p>
Three copies of Balance Sheet etc. to be filed with Registrar	225	<p>After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.</p>

#### AUDIT

Title of Article	Article No	Article Contents
Accounts to be audited	226	Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
Appointment and Qualification of Auditor	227	<p>(1) The Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 23.1 of the Act.</p> <p>(2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusions of the next annual general meeting</p>

		<p>and shall within seven days of appointment give intimation there of to the Auditors so appointed unless he is retiring Auditor</p> <p>(3) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless :</p> <p>(a) he is not qualified for reappointment;</p> <p>(b) he has given the Company notice in writing of his unwillingness to be reappointed;</p> <p>(c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or</p> <p>(d) Where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.</p> <p>(4) Where at an annual general meeting no auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p> <p>(5) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.</p> <p>(6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the serving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.</p> <p>(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the matter. The provision of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.</p> <p>(g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.</p> <p>(h) None of the persons mentioned in Section 226 of the Act as being not qualified for appointment as Auditors shall be appointed of the Company.</p>
Audit of Branch office	228	The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government, in that behalf.
Auditors to have access to the books of company	229	(a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company

		<p>such information and explanation as may be necessary for the performance of the duties of the Auditor/s.</p> <p>(b) All notices of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.</p> <p>(c) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the accounts give the information required by the Act in the manner so required and give a true and fair view :</p> <ul style="list-style-type: none"> <li>(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year : and</li> <li>(ii) in the case of the Profit and Loss Account, of the Profit and Loss for that financial year.</li> </ul> <p>(d) The Auditor's Report shall also state :</p> <ul style="list-style-type: none"> <li>(i) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;</li> <li>(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;</li> <li>(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;</li> <li>(iv) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.</li> </ul> <p>(e) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.</p>
<p>Accounts when audited and approved to be conclusive except as to errors discovered within three months</p>	<p>230</p>	<p>Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.</p>
<p>Authentication of documents and</p>	<p>231</p>	<p>Save as otherwise expressly provided in the Act or these Articles, document or proceeding requiring authentication by the Company</p>

proceedings		may be signed by a Director or an authorised officer of the Company and need not be under its Seal.
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## REGISTERS AND DOCUMENTS

Title of Article	Article No	Article Contents
Service of documents on members by the company	232	<p>(i) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address if any, within India, supplied by him to the Company for serving documents or notices to him.</p> <p>(ii) Where a Notice is sent by post :</p> <p>(a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>(b) Such service shall be deemed to have been effected;</p> <p>(i) in the case of a Notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and</p> <p>(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p> <p>(iii) A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on the day on which advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.</p> <p>(iv) A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register' in respect of the share.</p> <p>(v) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency a member by sending it through the post in a pre-paid letter, addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled or until such an address has been so supplied, by serving the document Of notice in any manner in which it might have been served if the death or insolvency had not occurred.</p> <p>(vi) The signature to any document or notice to be given by the Company may be written or printed or lithographed.</p>
To Whom Documents Must	233	Document of notice of every general meeting shall be served or given in the same manner herein before authorised on or to (a) every



Be Served Or Given		member, (b) every person entitled to a share in consequence of the death or insolvency of a member r and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company under Article 100, a statement of material facts, referred to in Article 101 need not be annexed to the notice as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
Members Bound By Documents Or Notice Served On Or Given To Previous Holder	234	Every person, who by operation of law, transfer or other means whatsoever, has become entitled to share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derived his title to such share.
Service of documents on company	235	A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by Registered Post by leaving it at its Registered Office.
Service of documents by company on the register of companies	236	A document may be served on the Registrar of Companies by sending it to him at his office by post under a Certificate of posting or by Registered Post, or by delivering it to or leaving it for him at his office.

### REGISTER AND DOCUMENTS

Title of Article	Article No	Article Content
Register Of Documents To Be Maintained By The Company	237	<p>The Company shall keep .and maintain Registers, Books and documents as required by the Act or these 'Articles, including the following:</p> <p>(i) Register of Investment made by the Company but not held In its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.</p> <p>(ii) Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of Rupee one for each inspection</p> <p>(iii) Register and Index of Members as required by Section 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder, without fee and of any other person on payment of a fee of Rupee One of each inspection.</p> <p>(iv) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee any by any other person on payment of Rupee one for each inspection,</p> <p>(v)Foreign Register if thought fit as required by Section 157 of the Act</p>

		<p>and it shall be open for inspection and may be closed and extracts may be taken there from and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register,</p> <p>(vi) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.</p> <p>(vii) Register of Directors, and secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee One for each inspection,</p> <p>(viii) Register as to holdings by Directors of shares and/or debentures; in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion,</p> <p>(ix) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372 of the Act.</p> <p>(x) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of Committees of the Board in accordance with the provisions of Section 193 of the Act.</p> <p>(xi) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.</p> <p>(xii) Register of loans as required by Section 370 of the Act.</p>
Inspection Of Registers	238	<p>The Registers mentioned in clauses (ix) and (xii) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken, there from and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company, as provided for in clause (iii) of the said Article. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of thirty-seven Paise for every hundred words or fractional part thereof required to be copied. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.</p>

#### WINDING UP

Title of Article	Article No	Article Content
Distribution of assets	239	<p>(a) Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by</p>

		<p>them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.</p> <p>(b)But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.</p>
Distribution in specie or kind	240	<p>Subject to the provisions of the act:</p> <p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the asset of the Company in trustees upon such trust for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.</p> <p>(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (Subject to the Provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined or any contributory who would be prejudicial thereby shall have a right, if any, to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>In case any Shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution, by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	241	<p>Subject to the Provisions of the Act, A Special Resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any Shares or other consideration receivable by the liquidator by distributed among us the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of the dissent if any, if such rights to be given by the act.</p>

**SECRECY CLAUSE**

Title of Article	Article No	Article Contents
Secrecy Clause	242(a)	Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-



		employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	242(b)	No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or matter which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interest of the Company to disclose.
	242A	Notwithstanding what is stated in this Article and during the subsistence of the agreement and binding on all parties; the following 'Exit' procedure shall be followed by all the concerned parties.

**TAG ALONG RIGHT**

	(a)	<p>Notwithstanding anything to the contrary in this Agreement subject however to Article 6.15 of the Agreement, the Parties here by agree that in the event the Promoters or any of them as the case may be, intend to sell or otherwise dispose of all or part of their shareholding in the Company to a third party who is not an affiliate of the Promoters (the "Third Party Offer or) the Promoters shall provide notice of such proposed sale to BCCL not later than 21 (Twenty one) days prior to the proposed closing of such sale. The Promoters, or any of them as the case may be, shall not be permitted to carry out the sale unless simultaneously with the sale, the Third Party Offeror makes an offer in writing to BCCL to purchase a pro-rata portion (i.e. a ratio of shares of the Promoters proposed to be transferred to the Shares held by the Promoters at the time of the sale or disposal, as the case may be) of the Shares held by BCCL in the Company at such time, on the same terms and conditions as the Third Party Offer's proposed acquisition of Shares from the Promoters, including as to price (the "Tag Along Offer"). The Third Party Offer's Tag-Along Offer shall remain open for acceptance for not less than 21 (Twenty-One) days following delivery of the offer of the Third Party Offeror.</p> <p>Provided that in the event that any such sale or disposal by the Promoters results in the Promoter's Shareholding falling below 75% (seventy five percent) of issued and outstanding capital of the Company (whether in a single transaction or a series of transaction related or otherwise), the Promoter shall not be permitted to carry out such sale or otherwise dispose of the Shares held by the Promoter, unless simultaneously with the sale, the Third Party Offeror makes an offer in writing to BCCL to purchase all the BCCL Shares held to BCCL in the Company at such time, on the same terms and conditions as the Third Party Offeror's proposed acquisition of Shares from the Promoters, including as to price.</p>
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	(b)	<p>If the Third Party Offeror refuses to purchase Shares from BCCL and BCCL notifies the Promoters in writing within 21 (Twenty-one) days following receipt to BCCL if the Promoters' notice that it desire to sell its Shares to the Third Party offer the Promoters shall reduce the number of Shares proposed to be sold to the Third Party Offeror and BCCL shall sell the Shares held by it to the Third Party Offeror, and Promoters shall ensure that the Third Party Offeror shall buy the Shares' held by BCCL at that time, as the case may be. on the same terms and conditions including as to price as described in Article 8.1.1 of the Agreement. It is clarified that the Promoters will not be permitted to sell any Shares to the Third Party Offeror, unless and until the Third Party Offeror has acquired all the Shares held by BCCL on the terms and conditions, including as to price, as described in Article 8.1.1 of the Agreement.</p>
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#### BUY BACK

	(a)	<p>In the event that the IPO other company and listing of the Shares on a recognised stock exchange is not completed within 4(four) years from the date here of BCCL shall have the right, by written demand signed by BCCL to require the Promoters. jointly and severally, by themselves 9f through a person(s) nominated by them. to purchase all or some of the BCCL Shares at the price per share being not less than the Sale Price or the purposes of this Article 8, the "Sale Price" shall mean an amount equal to the Earning Per Share ("EPS") *P/E multiple. EPS means EPS based on audited financial accounts for the financial year immediately preceding the date of such buyback for the purpose of this Article, P/E multiple will be equal to 16 (sixteen). For the purposes of this article 8.1 the Earning per Spare shall be adjusted for any stock split made by the Company from the Closing Date till the date of purchase of BCCL Shares by the Promoters. The EPS will be arrived at after excluding all non-recurring income and expenditure and extra ordinary income and expenditure in accordance with Indian GAAP.</p>
	(b)	<p>The Promoters and BCCL shall use their respective reasonable best efforts to obtain all relevant corporate and other approvals required or the completion of the Transfer.</p>

#### RIGHT OF FIRST REFUSAL

	(i)	<p>Subject to the lock-in restriction in respect of the BCCI. Shares prescribed in Article 6.3 of the Agreement. BCCL shall have the right to sell the BCCL Shares or a part thereof by way of a negotiated deal to any third party in the manner provided in this Article</p>
	(ii)	<p>Before the completion of the IPO, if BCCL desires to transfer the BCCI Shares or a part thereof by way of negotiated deal, BCCI</p>

		shall first give a written notice (the Transfer Notice) to the Promoters stating BCCL's intention to transfer the BCCL shares, the number of the BCCL shares proposed to be transferred the identity and details of the proposed buyer and the price and the other terms & conditions at which BCCL proposes to transfer the BCCL shares.
	(iii)	Upon receipt of the notice the Promoters shall have the irrevocable and exclusive right to buy all the BCCL. Shares offered by BCCL, b)' themselves or by a person/entity nominated by the Promoters, at the price and on the same terms and conditions as specified in the notice. such a right shall be exercisable by a written notice from the Promoters to BCCL, within 30 (thirty) days from the date of" receipt of" the notice sent by BCCL. In the event that the Promoters or any person/entity nominated by the Promoters does not buy the BCCL shares specified in the notice, then BCCL shall have the right to sell the BCCL Shares to the said proposed buyer on terms not more favourable than those specified, in the transfer Notice.
	(iv)	If the Promoters, by themselves or through an entity nominated by them, fails to purchase the BCCL Shares within 21 (Twenty one) days from the date or the notice by which the Promoters exercised, their right to buy the BCCL Shares, in addition to all other remedies available in law to BCCL, the Right of First Refusal in terms of this Article shall stand extinguished.
	(v)	After the occurrence of the IPO BCCL shall have the right to Transfer the BCCL Shares or a part thereof, in any manner and to any person that it deems fit.

#### EXTRACT FROM THE SHARE SUBSCRIPTION

	243	<p>Extract from the Share Subscription Agreement dated.21.10.2009 between M/s.Brand Equity Treaties Ltd. (hereinafter called "BETL"), M/s. Timbor Home Ltd, thereafter called "the Company" and the Promoter of the Company,</p> <p>"6.5In the event that the Company issues any further Shares, including in the event of a merger or amalgamation of another entity with the Company within a period of commencing from the date hereof till any point of time 'prior to the completion of the IPO (a "Fresh Offering") whereby the Present Price is lower than the Subscription Price, then the Company shall issue and the promoters shall cause the Company to issue and allot such number of shares forming part of the Fresh - Offering to BETL, in accordance with applicable law for no additional consideration or the minimum additional consideration permitted in accordance with applicable law, whichever is lower, such that the weighted average price of the Subscription Shares and the Shares acquired by BETL at the Fresh Offering shall be equal to the present price for the shares issued at the Fresh Offering by another Person. The Company shall obtain and the Promoters shall cause the Company to obtain all approvals, regulatory and otherwise, in this regard. In the event the Company is unable to</p>
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		<p>allot the Shares to BETL for no additional consideration, the Promoters shall. Jointly and severally, transfer such number of shares held by the promoters at no additional consideration to BETL, such that the weighted average price of the Subscription Shares and the Shares acquired by BETL from the Promoters in the manner indicated herein shall be equal to the Present Price paid for the Shares issued at the Fresh Offering by another Person. Provided that this Article 6.5 shall not be applicable to issue of Shares by way of an ESOP."</p> <p>"6.9The Company shall not issue Shares through the IPO whereby the Present IPO Price is lower than the Subscription Price. In the event that the IPO takes place at a price whereby the Present IPO Price is lower than the Subscription Price, the Promoters hereby covenant and undertake, jointly and severally, to transfer such number of shares to BETL for no additional consideration such that the weighted average price of the Subscription Shares (i.e. the shares held by BETL on the date of allotment of the Subscription Shares and the Shares transferred by the Promoters, or any of them as the case may be, in accordance with the terms hereof) is equal to the present IPO Price, It is clarified that the transfer of Shares by the Promoters, or any of them as the case may be, shall take place on the next succeeding Business Day after the completion of the statutory lock-in as per applicable law, of the entire pre- issue share capital currently prescribed in clause 4.14.1 of Chapter IV of the DIP Guidelines, as may be amended from time to time. The promoters, jointly and severally undertake to keep available such number of shares as may be required to fulfill their obligations in terms hereof and ensure that the same are not subject to the three year lock-in on a promoter's contribution under the DIP Guidelines. It is further clarified that the number of Shares to be transferred to BETL by the Promoters, or any of them, as the case may be, shall be computed on the basis of the Present IPO Price.</p> <p>6.15 The Company hereby convents that it shall not sell, license, assign or in manner part with all or a part of its rights to any of the brands currently owned by the Company or acquired by the Company in future without having obtained the prior written consent of BETL, "</p>
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**EXIT**

<p>PUT OPTION</p>		<p>8.5.1 In the event that the listing of Shares of the Company is not completed for any reason whatsoever within 1 (One) year ,and 6 months from the date hereof, BETL shall have the right, by written notice signed by BETL (Put Option Notice), to require the Promoters, jointly and severally, to purchase all or some of the shares held by BETL as indicated by BETL, in the Put Option Notice, at the price per share being not less than the Sale Price. For the purposes of this Article 8.1, the "Sale Price" shall mean an amount equal to the Earning Per Share ("EPS") *P/E multiple. EPS means EPS based on audited financial accounts for the financial year immediately preceding the date of exercise by BETL, of its right under this Article 8.1. For the purpose of this</p>
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	<p>Article, the PIE multiple will be 16. For the purpose of this Article 8.1 the EPS shall be adjusted for any stock split made by the company from the Closing Date till the date of purchase of Subscription Shares by the Promoters. The EPS shall also exclude all non-recurring income and expenditure.</p> <p>8.5.2 In the event the Promoters fail to complete the purchase of the Shares held by BETL within 30 (Thirty) days from the date of the Put Option Notice, then in addition to other rights available under law, BETL shall be entitled, at any time thereafter, to exercise its rights in taffies of Articles 8.1..3 and 8.1..4 below.</p> <p>8.5.3 If a bona fide third party ("Third Party Buyer") makes an offer to purchase Shares of the Company, greater than the number of Shares held by BETL and such offer is accepted by BETL, then BETL shall be entitled to require the Promoters to sell any or all the shares held by them in the Company ("Drag Along Shares") to the Third Party Buyer on identical terms and for the same price per share.</p> <p>8.5.4 If BETL chooses to exercise its rights under Article 8.1. .3, it shall provide notice of the proposed sale ad the exercise of its rights under Article 8.1.3 to the Promoter(s) no later than 3'0 (thirty) days prior to the closing of the proposed sale of BETL' s Shares to the Third Party Buyer. The closing of any purchase of BETL's Shares by the Third Party Buyer from BETL shall take place simultaneously with the closing of the purchase of Shares of the Promoters, Such Draft Along Shares shall be free and clear of any Lien, and the Promoters shall so represent and warrant, and shall further represent and wetland that they are the beneficial and legal owners of such Draft Along Shares.</p> <p>8.6 Tag Along Right</p> <p>8.6.1 Notwithstanding anything to the contrary in this Agreement subject however to Article 6.10 above, the Parties hereby agree that in the event the Promoters, or any of them, as the case may be, by themselves or through their affiliates, intends o Transfer all or part of their shareholding in the Company to a third party who is of an affiliate of the Promoters (the "Third Party Offeror"), the Promoters hall provide notice of such proposed sale to BETL no later than 30 (thirty) days</p> <p>8.6.2 Prior to the proposed closing of such sale. The Promoters, or any of them as the l case may be, shall not be permitted to carry out the sale unless simultaneously with the sale the Third Party Offeror makes an offer in writing to BETL to purchase a pro-rata portion (i.e. a ratio of Shares of the Promoters proposed to be , transferred to the Shares 'held by the Promoters at the time of the sale or disposal, as the case may be) of the Shares held by BETL in the Company at such time, on the same terms and conditions as the Third Party Offeror's proposed acquisition of Shares from the Promoters, or any of them, as the case may be, including as to price (the "Tag-Along Offer"). The Third Party Offeror's Tag - Along Offer shall remain open for acceptance for not less than 30 (thirty) days following delivery to BETL of the offer of the Third Party Offeror.</p> <p>Provided that in the event that any such sale or disposal by the</p>
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		<p>Promoters results in the Promoters' Shareholding falling below 75% (Seventy five percent) of issued and outstanding equity share capital of the Company (whether in a single transaction or a series of transactions related or otherwise), the Promoters shall not be permitted to carry out such sale or otherwise dispose of the Shares held by the Promoters, unless simultaneously with the sale, the Third Party Offeror makes an offer in writing to BETL to purchase all the Subscription Shares held by BETL in the Company at such time, on the same terms and conditions as the Third Party Offeror's proposed acquisition of Shares from the Promoters including as to price.</p> <p>Provided further that BETL shall not be required to provide any representations and warranties other than on ownership of its Shares and shall be entitled to receive the cash equivalent of any non-cash consideration in such sale</p> <p>8.6.3 If the Third Party Offeror refuses to purchase Shares from BETL and BETL notifies the Promoters in writing within 30 (Thirty) days following receipt by BETL of the Promoters Notice that it desires to sell its Shares to the Third Party offer the Promoters shall reduce the number of Shares proposed to be sold to the Third Party Offeror and BETL shall sell to the Third Party Offeror, and : Promoters shall ensure that the Third Party Offeror shall buy, a pro rata portion or ' all of the Shares held by BETL at that time, as the case may be, on the same terms and conditions, including as to price, as described in Article 8.2.1 of this Agreement. It is clarified that the Promoters will not be permitted to sell any Shares to the Tird Party Offeror, unless and until the Third Party Offeror has a acquired all the Shares offered by BETL on the terms and conditions including as .to price, as described in Article 8.2.1 of this Agreement.</p>
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**RIGHT TO FIRST REFUSAL**

	<p>8.7</p>	<p>8.6.4 Subject to the lock-in restriction in respect of the Subscription Shares prescribed in Article 6.3 of this Agreement, BETL shall be the right to sell the Subscription Shares or a part thereof by way of negotiated deal to any third party in the manner provided in this Article and shall be entitled to share such information with respect to the performance of the Company with such third party.</p> <p>8.6.5 Before the completion of the IPO, if BETL desires to Transfer the Subscription Shares, or a part thereof by way of a negotiated deal, BETL shall first give a written notice (the Transfer Notice") to the Promoters, stating BETL's intention to transfer the Subscription Shares, the number of the Subscription Shares proposed to be transferred, the identity and details of the proposed buyer and the price and the other terms and conditions at which BETL proposes to transfer the Subscription Shares.</p>
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	<p>8.3.3 Upon receipt of the notice, the Promoters shall have the right to buy all the Subscription Shares offered by BETL, by themselves or by a person/entity nominated by the Promoters, at the price and on the same terms and conditions as specified in the Transfer Notice. Such a right shall be exercisable by a written notice from the Promoters to BETL, within 30 (Thirty) days from the date of receipt of the transfer Notice sent by BETL. In the event that the Promoters or any person/entity nominated by the Promoters does not buy the subscription Shares specified in the Transfer Notice, then BETL shall have the right to sell the Subscription Shares to the said proposed buyer on terms not more favourable than those specified in the Transfer Notice.</p> <p>8.6.6 If Promoters, by themselves or through an entity nominated by them fails to purchase the Subscription Shares within 21 (Twenty one) days from the date of the notice by which the Promoters exercised their right to buy the Subscription Shares, in addition to all other remedies available in law to BETL, the Right of First Refusal in terms of this Article 8.3 shall stand extinguished in respect of all Transfers by BETL.</p> <p>8.6.7 After the occurrence of the IPO, BETL shall have the right to Transfer, the Subscription shares, or a part thereof, in any manner and to any person that it deems fit free from all restrictions.</p> <p>8.7 It is clarified that. subject to Article 8.3 above, BETL shall have the right to transfer or sell or otherwise dispose of the Subscription Shares in any manner at the expiry of the lock in period mentioned in Article 6.3 above.</p>
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#### INDEMNITY AND RESPONSIBILITY

Title of Article	Article No	Article Contents
Directors and others rights to indemnity	244	<p>(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including traveling expense) which such Director, Manager, Secretary and officer or employee may incur or become liable to by reason of any contract entered into or act deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as lien on the property of the Company and have priority between the members over all other claims.</p> <p>(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act which relief is given to</p>

		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 acts of others	245	Subject to the provisions of Section 201 of the Act, no Director, Managing whole time Director or other Officer of the company shall be liable for the acts, neglects or defaults of any other Director or Officer or for joint in any re, other act for conformity or for any loss or expense happening to the Company) insufficiency or deficiency of title to any property acquired by order of the for or on behalf of the Company for the insufficiency or deference of any in or upon which any of the monies of the Company shall be invested or loss or damage arising from the bankruptcy insolvency or tortious. Act of any company or corporation, within whom any moneys, securities or effect entrusted or deposited or for any (by any error of judgement or on his part or for any other loss or damage or misfortune whatever which shall in the execution of the duties of his office or in relation thereto, unless it happens through his own dishonesty.

#### **SOCIAL OBJECTIVE**

<b>Title of Article</b>	<b>Article No</b>	<b>Article Contents</b>
Social Objective	225	The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.



## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at A-2, Harikrupa Apartment, Near Naranpura Railway Crossing, Naranpura Ahmedabad – 380 013, Gujarat, India, from date of filing the Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from the date of filing of the Red Herring Prospectus until the date of closure of the Issue.

#### MATERIAL CONTRACTS

1. Memorandum of Understanding dated 18.08.2010 entered between our Company and Corporate Strategic Allianz Limited appointing them as Book Running Lead Manager to the issue.
2. Memorandum of Understanding dated 10.03.2010 entered between our Company and Purva Sharegistry India Private Limited appointing them as Registrar to this Issue.
3. Tripartite agreement between our Company, NSDL and Registrar to this issue dated 27<sup>th</sup> July, 2010.
4. Tripartite agreement between our Company, CDSL and Registrar to this issue dated 22<sup>nd</sup> October, 2010.
5. Escrow Agreement dated [●] between our Company, BRLM, Syndicate Members, Escrow Collecting Banks, and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, BRLM and Syndicate Members of the Company.
7. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Member.

#### MATERIAL DOCUMENTS

1. The Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated May 11, 2000, issued by Deputy Registrar of Companies, Ahmedabad, Gujarat.
3. Copy of Fresh Certificate of Incorporation dated 8<sup>th</sup> February, 2005, issued by Registrar of Companies, Ahmedabad, Gujarat, consequent to the change in name of company from Inside Outside India Dot Com Private Limited to IKI Timbor Private Limited.
4. Copy of Fresh Certificate of Incorporation dated May 22, 2007, issued by Registrar of Companies, Ahmedabad, Gujarat, consequent to the change in the name of company from IKI Timbor Private Limited to Timbor Home Private Limited.
5. Copy of Fresh Certificate of Incorporation dated June 30, 2009, issued by Registrar of Companies, Ahmedabad, Gujarat, consequent to the change in the name of company from Timbor Home Private Limited to Timbor Home Limited that is conversion of Private Limited Company to Public Limited Company.



6. Resolution passed by the Board of Directors of our Company on 06.07.2010 and by the shareholders at the Extra Ordinary General Meeting of the Company on 10.08.2010 pursuant to Section 81(1A) and other applicable Provisions of the Companies Act, 1956
7. Resolution passed by the Board of Directors dated 20.05.2011, approving the Red Herring Prospectus.
8. Copy of Resolution dated 29.01.2009 appointing Mr. Anant Sureshchandra Maloo as Managing Director.
9. Employment Agreement of Anant Maloo dated 24<sup>th</sup> August, 2009.
10. Copy of Board Resolution dated 8.8.2010 constituting various Committees of the Board.
11. Copy of the Tax benefit certificate dated 25.04.2011 from the Statutory Auditors and their consent to include the same in the RHP.
12. Statutory Auditors Certificate 25.04.2011 regarding sources and deployment of funds incurred on the Project and their consent to include the same in the RHP.
13. Restated Financials along with Statutory Auditors Report of the Company dated 21.03.2011 referred in the Red Herring Prospectus and their consent to include the same in the RHP.
14. Copies of Annual Reports of the Company for the years ended on March 31<sup>st</sup> of 2006, 2007, 2008, 2009 and 2010 and nine months ended on 31<sup>st</sup> December 2010.
15. Consents in writing from our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue & Refund Banker, Book Running Lead Manager, IPO Grading Agency, Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities.
16. IPO grading report dated April 28<sup>th</sup>, 2011.
17. Due Diligence Certificate dated 09.05.2011 to SEBI from Corporate Strategic Allianz Limited the Book Running Lead Manager.
18. Initial listing applications dated 9<sup>th</sup> October, 2010 filed with BSE and NSE.
19. In- Principle listing approvals from BSE and NSE dated October 15<sup>th</sup>, 2010 and February 11<sup>th</sup>, 2011 respectively.
20. SEBI Observation letters no. WRO/ AS/CF/IPO/THL/4374/2011 dated April 11,2011
21. Replies by BRLM dated, May 10<sup>th</sup> 2011 and May 16<sup>th</sup> 2011 for the above SEBI observation letter.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We declare that all the relevant provisions of the Companies Act, 1956 and the regulations/guidelines issued by the Government or the regulations/guidelines issued by the Securities and Exchange board of India established under section 3 of the Securities and Exchange board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 or Securities and Exchange board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We, the directors of the Company declare and confirm that all statements in this Red Herring Prospectus are true & correct.

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009 and the guidelines issued by the Government of India as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

The Issuer accepts no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/ her own risk.

### **Signed by the Directors, Finance Head, Company Secretary & Compliance officer:**

**Mr. Anant Sureshchandra Maloo**  
Chairman and Managing Director

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**Mr. Manan Vidhyapati Patel**  
Executive Director

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**Mr. Abhjeet Dwarkadas Daga**  
Executive Director

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**Mr. Rakesh Surajkumar Bhagat**  
Independent Director

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**Mr. Tejdeepsingh Harvindersingh Anand**  
Independent Director

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**Mr. Rakesh Mohinder Kumar Puri**  
Independent Director

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**Mr. Chetan Arvind Gajjar**  
Finance & Accounts Head

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**Ms. Akanksha Kailash Bijawat**  
Company Secretary & Compliance officer

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**Place: Ahmedabad**

**Date: 20.05.2011**