

**RED HERRING PROSPECTUS**

Dated: February 28, 2012

**Please read Section 60 B of the Companies Act, 1956****100% Book Building Issue****OLYMPIC CARDS LIMITED**

(Originally incorporated as 'Olympic Business Credits (Madras) Private Limited' on April 21, 1992 under the Companies Act, 1956 at Chennai vide Certificate of Incorporation bearing Corporate Identification Number U65993TN1992PLC022521 issued by the Registrar of Companies, Tamil Nadu at Chennai ('ROC'). Subsequently, the Company became a Public Limited Company and the name was changed to 'Olympic Business Credits (Madras) Limited' vide fresh Certificate of Incorporation dated October 31, 1996. Further, the name of the Company was changed to 'Olympic Cards Limited' and a fresh Certificate of Incorporation was obtained from ROC on June 2, 1998. For details of changes in the registered office of our Company, please refer the section titled 'History and Corporate Structure' beginning on page 102 of this Red Herring Prospectus.)

**Registered Office:** 195, N.S.C. Bose Road, Chennai – 600 001, **Tel:** +91-44-42921000, +91-44-25380652; **Fax:** +91-44-25390300;

**Website:** www.olympicweddingcards.com; **Email:** ipo@oclwed.com

**Contact Person:** Mr. N. Gopalswamy, Company Secretary & Compliance Officer; **E-mail:** complianceofficer@oclwed.com

**THE PROMOTERS OF OUR COMPANY ARE MR. H. NOOR MOHAMED AND MRS. S. JARINA**

**PUBLIC ISSUE OF [•] EQUITY SHARES OF ₹ 10 EACH OF OLYMPIC CARDS LIMITED (THE 'COMPANY' OR THE 'ISSUER') FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF [•] PER EQUITY SHARE, AGGREGATING UPTO ₹ 2500.00 LACS (THE 'ISSUE'). THE ISSUE WOULD CONSTITUTE [•] % OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF THE COMPANY.**

**PRICE BAND: ₹ 30 TO ₹ 32 PER EQUITY SHARE**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH.**

**THE FLOOR PRICE IS 3 TIMES THE FACE VALUE AND THE CAP PRICE IS 3.2 TIMES THE FACE VALUE**

In case of revision in the Price Band, the Bidding/Issue Period will be extended by three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited (the "BSE") whose online system will be available for Bidding by issuing a press release, and also by indicating the change on the website of the Company, Book Running Lead Manager (the "BRLM") and at the terminals of the Syndicate Members.

This Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The balance shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Qualified Institutional Buyers and Non-Institutional Investors should mandatorily required to apply through ASBA.

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹ 10/- and the Floor Price is 3 times of the face value and Cap Price is 3.2 times of the face value. The Price Band (as determined and justified by our Company and the Book Running Lead Manager as stated under section titled 'Basis for Issue Price' on page 50 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

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

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company having made all reasonable inquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to the company and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this 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 Limited and has been assigned the 'IPO Grade 1', indicating poor fundamentals through its letter dated February 21, 2012. For more information on IPO grading, please refer to the section titled 'General Information' on page 20 of this Red Herring Prospectus.

**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE Limited (BSE). Our Company has received in-principle approval from BSE for listing of the Equity Shares vide letter dated November 11, 2011. For the purpose of this Issue, the BSE shall be the Designated Stock Exchange.

**BOOK RUNNING LEAD MANAGER****ASHIKA CAPITAL LIMITED**

1008, Raheja Centre, 10<sup>th</sup> Floor,  
214, Nariman Point,  
Mumbai - 400 021.

**Tel.:** +91-22-6611 1700

**Fax:** +91-22-6611 1710

**E-mail:** mbd@ashikagroup.com

**Website:** www.ashikagroup.com

**SEBI Regn. No.:** INM 000010536

**Contact Person:** Ms. Nimisha Joshi / Mr. Rohit Bhansali

**REGISTRAR TO THE ISSUE****CAMEO CORPORATE SERVICES LIMITED**

'Subramanian Building',  
No. 1 Club House Road,  
Chennai – 600 002.

**Tel.:** +91-44-2846 0390, +91-44-2846 0425

**Fax:** 91-44- 2846 0129

**E-mail:** olympic@cameoindia.com

**Website:** www.cameoindia.com

**SEBI Regn. No.:** INR 000003753

**Contact Person:** Mr. R. D. Ramasamy

**BID / ISSUE PROGRAMME**

**BID / ISSUE OPENS ON : MARCH 09, 2012**

**BID / ISSUE CLOSES ON : MARCH 13, 2012**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, the following terms have the following meanings in this Red Herring Prospectus, and references to any statute or regulations or policies shall include amendments thereto, from time to time:*

Term	Description
‘Olympic Cards Limited’, ‘the Company’, ‘our Company’, ‘we’, ‘us’, ‘our’, or ‘the Issuer’	Unless the context otherwise require, refers to Olympic Cards Limited, a company incorporated under the Companies Act, 1956

#### Conventional / General Terms

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended
AOA/Articles/ Articles of Association	Articles of Association of our Company
Board of Directors/ Board	The Board of Directors of our Company
Financial Year/ Fiscal/ FY	The period of twelve (12) months ended March 31 of that particular year.
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
Group Entities	Includes those companies, firms, ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not, as disclosed in the section titled "Group Entities" beginning on page 121 of this Red Herring Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company
Non-Resident	A person who is not an NRI, FII and is not a person resident in India as defined under FEMA
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, each such term as defined under the FEMA (Deposit) Regulations, 2000, as amended
Overseas Corporate Body/ OCB	'Overseas Corporate Body (OCB)' means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Person(s)	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
Qualified Institutional Buyers or QIBs	A mutual fund, venture capital fund and foreign venture capital investor registered with SEBI; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a

Term	Description
	public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of twenty five crore rupees; a pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts in India.”
Quarter	A period of three consecutive months
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

#### Issue Related Terms

Term	Description
Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Equity Shares to the successful bidders, pursuant to this Issue
Allottee	A successful Bidder to whom the Equity Shares are being/ have been allotted
Application Supported by Blocked Amount / ASBA	An application for subscribing to a public issue along with an authorization to Self Certified Syndicate Bank to block the application money in a Bank account maintained with the Self Certified Syndicate Bank
ASBA Bidder	Any Bidder other than an Anchor Investor who/ which intends to apply through ASBA and is applying through blocking of funds in a bank account with a SCSB
Banker(s) to the Issue	ICICI Bank Limited, Dhanlaxmi Bank Limited and IndusInd Bank Limited
Basis of Allotment / Allocation	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 192 of this Red Herring Prospectus
Bid	An indication to make an offer made during the Bidding Period by a Bidder, pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, bid means an indication to make an offer during the Bidding Period by any Bidder pursuant to the submission of a Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and which is payable by the Bidder on submission of the Bid for the Issue
Bid/Issue Closing Date	The date after which the members of the Syndicate and SCSBs / Syndicate ASBA will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper

Bid/Issue Opening Date	The date on which the members of the Syndicate and SCSBs / Syndicate ASBA shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional language newspaper
Bid cum Application Form / Bid form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder
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 in Part A of Schedule XI of the SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to this Issue, in this case being Ashika Capital Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
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. In this case being ₹ 32 per share
Cut-off Price	Issue Price finalized by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders, who's Bid Amount does not exceed ₹ 2,00,000 are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Controlling Branches	Such branches of the SCSB which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act
Designated Branches	Such branches of SCSBs which shall collect the Bid-cum-Application Form used by the ASBA bidders and a list of which is available on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	BSE Limited
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act and filed with SEBI, which does not contain complete particulars on the price at which the Equity Shares are offered and size of the Issue. It will become Red Herring Prospectus issued in accordance with the Section 60B of the Companies Act after filing with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Electronic ASBA Application / Bid	Submission of Bid cum Application Form electronically by an ASBA Bidder through the Internet Banking facility offered by the SCSBs / Syndicate ASBA

Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
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, the Book Running Lead Manager, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s) / Banker(s) to this issue	The banks, that are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account(s) will be opened and in this case being ICICI Bank Limited, Dhanlaxmi Bank Limited and IndusInd Bank Limited
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. In this case being ₹ 30 per share
Indian National	As used in the context of a citizen of India defined under the Indian Citizenship Act, 1955, as amended, who is not a NRI
Issue	Public Issue of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●] each aggregating upto ₹ 2500.00 Lacs
Issue Period	The Issue period shall be from March 09, 2012 being the Bid/ Issue Opening Date to March 13, 2012 being Bid/ Issue Closing Date
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	The portion of the Issue, being 5% of the QIB Portion or [●] Equity Shares, available for allocation on proportionate basis to Mutual Funds only, out of the QIB Portion
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 2,00,000/- (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue, being not less than 15% of the Issue consisting of [●] Equity Shares of ₹ 10/- each available for allocation to Non-Institutional Bidders on proportionate basis, subject to receipts of valid bids at or above the Issue Price
Overseas Corporate Bodies / OCB	'Overseas Corporate Body (OCB)' means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% beneficial interest is held by NRIs directly or indirectly but irrevocably as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Price Band	Price Band of a minimum price (floor price of the price band) of ₹ 30 and the maximum price (cap price of the price band) of ₹ 32 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the Book Running Lead



	Manager finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Portion	The portion of the Issue up to 50% of the Issue consisting of [●] Equity Shares of ₹ 10/- each available for allocation on proportionate basis to QIBs, of which 5% shall be available for allocation on proportionate basis to Mutual Funds only, subject to receipts of valid bids at or above the Issue Price
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the number of shares being offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The non-lien account maintained by the Refund Bank to which surplus money shall be transferred on the Designated Date
Refund Banker	ICICI Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS or Direct Credit as applicable
Registrar / Registrar to the Issue	Cameo Corporate Services Limited
Resident Retail Individual Investor(s) / Resident Retail Individual Bidder(s)	A Retail Individual Bidder who is a "person resident in India" (as defined in Foreign Exchange Management Act, 1999)
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and eligible NRI's) 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 not less than 35% of the Issue, being [●] Equity Shares of ₹ 10/- each, available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding bidders applying through ASBA, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.html">www.sebi.gov.in/pmd/scsb.html</a>
Stock Exchange	BSE Limited
Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between our Company, the BRLM and the Syndicate Members in relation to the collection of Bids in this Issue
Syndicate ASBA	The Syndicate Member / Sub-Syndicate Members (Stock brokers registered with SEBI), who may procure Bid cum Application Forms from the investors, upload the bids and other relevant details of such Forms in the bidding platform provided by the stock exchange and forward the same to the designated SCSBs
Syndicate ASBA Centres	ASBA facility through Syndicate / Sub-Syndicate Member is available with the following centres: Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat, and such other centres as may be

	prescribed by SEBI from time to time. The list of SCSB branches to accept Bid cum Application Form from the Syndicate ASBA is available on the website <a href="http://www.sebi.gov.in/pmd/scsb-asba.html">www.sebi.gov.in/pmd/scsb-asba.html</a>
Syndicate Member(s)	Ashika Capital Limited and Kunvarji Finstock Pvt. Ltd.
Transaction Registration Slip / TRS	The slip or document issued by a member of the Syndicate or the SCSB or the Syndicate ASBA (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
Working Day	All days other than a Sunday or a public holiday (except during the Bid/ Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

### Company and Industry Related Terms

Term	Description
AGM	Annual General Meeting
Auditors	The Statutory Auditors of our Company, namely, M/s. C. S. Hariharan & Co.
Bankers to our Company	ICICI Bank Limited and City Union Bank Limited
Board / Board of Directors / Directors	Board of Directors of our Company, unless otherwise specified or a committee constituted thereof
Compliance Officer	Compliance Officer of our Company is Mr. N. Gopalswamy
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	Equity shares of face value of ₹ 10 each of our Company unless otherwise specified.
Promoter(s)	Mr. H. Noor Mohamed and Mrs. S. Jarina
Promoter Group	Includes such persons and companies / entities as defined under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, 2009. For details of promoter group, please refer the section titled 'Our Promoter Group and Group Entities' beginning on page 121 of this Red Herring Prospectus
Registered Office of our Company	195, N.S.C. Bose Road, Chennai – 600 001
RoC	Registrar of Companies, Tamil Nadu at Chennai

In the section entitled “Main Provisions of Articles of Association”, defined terms have the meaning given to such terms in the Articles of Association of our company.



## Abbreviations

Term	Description
AGM	Annual General Meeting
AIFMP	All India Federation of Master Printers
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BPLR	Benchmark Prime Lending Rate of the relevant bank
BRLM	Book Running Lead Manager
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP ID	Depository Participant Identification
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended, read with rules and regulations issued there under
FI	Financial Institution
FII (s)	Foreign Institutional Investors [as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, as amended] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR / ₹ / Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering

IT Act / Income Tax Act	The Income Tax Act, 1961, as amended from time to time
MODVAT	Modified Value Added Tax
MoU	Memorandum of Understanding
N. A. / n.a.	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous not written off) and debit balance of Profit and Loss Account, divided by weighted average number of equity shares outstanding during the year
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRI	Non-Resident Indian
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
QIBs	Qualified Institutional Buyers as defined in SEBI (ICDR) Regulations
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoC	Registrar of Companies, Chennai
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
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
Sec.	Section
Securities Act	US Securities Act, 1933, as amended
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act
TAN	Tax Deduction Account Number
TIN	Tax payer Identification Number
UIN	Unique Identification Number
VCF	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time
WDV	Written Down Value
w.e.f.	With effect from

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

In this RHP, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Olympic Cards Limited”, unless the context otherwise indicates or implies, refers to Olympic Cards Limited. In this RHP, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lac” means “one hundred thousand”, the word “Crore” means “one hundred lacs”, the word “million (mn)” means “ten lacs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred Crores”. In this RHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this RHP, all figures have been expressed in Rupees, except when stated otherwise. All references to “Rupees” and “Rs” in this RHP are made to the legal currency of India.

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements for the financial years ended March 31, 2007, 2008, 2009, 2010 and 2011 prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and included in this Red Herring Prospectus under the section titled ‘Financial Statements’ beginning on page 127.

Our fiscal year commences on April 01 and ends on March 31 of the next year. All references to a particular fiscal year unless otherwise indicated, are to the 12 month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

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

### Industry and Market Data

The section titled “*Industry Overview*” quotes and otherwise includes information from a commissioned report, or the CRISIL Report, prepared by CRISIL Limited for purposes of the Red Herring Prospectus. We have not commissioned any report for purposes of the Red Herring Prospectus other than the CRISIL Report. We commissioned CRISIL’s research division to provide an independent assessment of the printing and stationary industry.

Except for the CRISIL Report, market and industry related data used in the Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

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

## **FORWARD-LOOKING STATEMENTS**

This Red Herring Prospectus includes certain forward looking statements with respect to our financial condition, results of operations and business. These forward-looking statements can generally be identified by the fact that they do not relate to any historical or current facts. Forward-looking statements often use words such as “aim”, “anticipate”, “believe”, “could”, “expect”, “estimate”, “intend”, “may”, “objective”, “plan”, “project”, “shall”, “should”, “will”, “would”, or other words or phrases with similar meaning. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. By their nature, forward looking statements are subject to risk and uncertainty and there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by, such forward-looking statements.

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

For further discussions of factors that could cause our actual results to differ, please see the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages xii and 152 of this Red Herring Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Book Running Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, the Company, the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

## SECTION II - RISK FACTORS

*An investment in equity or equity related securities involves a 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 business. Any of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations could cause the trading price of our Equity Shares to decline and may lose all or part of your investment in our Equity Shares. In addition, the risks set out by us in this 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. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved.*

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

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

### **Materiality:**

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- a) Some events may not be material individually, but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may have material impact in future.

The risk factors are as envisaged by the management along with the proposals to address the risk, if any. Wherever possible, the financial impact of the risk factors has been quantified.


## **INTERNAL RISKS PERTAINING TO OUR COMPANY AND BUSINESS**

### **1. Our Company has bought back Equity Shares constituting 33% of our paid-up share capital during the financial year 2003-04 in contravention of the provisions of Sec. 77A of the Companies Act, 1956. An application for compounding this offence was filed with the ROC Chennai.**

Our Company has violated the provisions of Sec. 77A of the Companies Act, 1956 by buying back 537124 Equity Shares during the FY 2003-04 from the existing shareholders constituting 33% of the paid-up share capital of our Company which has exceeded the maximum limit of 25% of paid-up capital in any financial year as permitted by the said Act. To rectify the same, we have filed an application for compounding of offences under section 621A of the Companies Act, with RoC, Chennai on November 25, 2010.


Consequently, an Order was passed by the Company Law Board on October 17, 2011 wherein a penalty of ₹ 25,000 was paid by the Company and ₹ 3,000 was paid by the Managing Director of the Company, Mr. H. Noor Mohamed. As per the said Order, the offences have been compounded. For further details regarding this please refer to note on page no. 29 of this DRHP.

## 2. We do not own the registered trademark “”.

We are using the registered trademark “” registered under the Trade Marks Act, 1999 which is owned by one of our group entity Olympia Paper & Stationery Stores, a proprietary concern of our promoter Mr. H. Noor Mohamed. We have entered into an agreement with our Promoter Mr. H. Noor Mohamed on April 01, 2010 for using the said trademark for a period of 15 years. The consideration payable by our Company shall be in the form of royalty which shall be nil (0) for the first five (5) years for developing the brand name and thereafter from April 02, 2015 a sum equivalent to 2% of the sale value of the products sold by it. This agreement may be renewed with mutual consent of both the parties. In the event of non renewal of such agreement, we may be forbidden from using this trademark and this may affect our brand image adversely. For further details relating to the trademark, please refer to the section titled “Intellectual Property Rights” on page no. 89 of this Red Herring Prospectus. Since, the said trademark is not registered in our name, we cannot assure that it will be used by us exclusively.

As and when any claim of interest, any circumstance of fraudulent practices, etc. arises / are identified, Mr. H. Noor Mohamed as the proprietor of M/s. Olympia Paper and Stationery Stores will take or initiate proper legal action as per law.

## 3. Our Revenues may be affected due to the use of trademark “” by other entities

The trademark “” is also being used by the entity(ies) promoted by Late H. Salahudeen Babu (brother of our promoter, Mr. H. Noor Mohamed) and his successors as per family arrangement. Currently, Olympic Wedding Cards Private Limited is the only company owned by successors of Late Mr. Salahudeen which is also using the same trademark. The said company is also engaged in the business of manufacturing of wedding cards and other cards which is similar to our business. Due to the use of the said trademark by the other company, there could be a confusion amongst our customers and the revenue of our Company might be marginally affected which could in turn affect our profitability.

## 4. Our Company has a negative cash flow in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Particulars	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Net Cash Flow from Operating Activities	-	(172.40)	-	-	(170.01)	-
Net Cash Flow from Investing Activities	(45.67)	-	(840.92)	(195.71)	(222.77)	(209.24)
Net Cash Flow from Financing Activities	(372.85)	(398.82)	-	-	-	(26.37)
Net Increase / (Decrease) in Cash and Cash Equivalents during the year	(29.75)	(250.27)	-	-	(66.41)	-

The cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**5. “IPO Grade 1” assigned by CRISIL Limited indicating poor fundamentals.**

CRISIL Limited has assigned an “IPO Grade 1” indicating poor fundamentals, to our proposed initial public offering. The IPO grading report of CRISIL states the weaknesses which include:

- Highly fragmented Industry due to low entry barriers
- Concentrated in the State of Tamil Nadu only
- Risk of brand dilution
- Centralised Management and relatively weak internal processes and management information system

For further details, please refer “Annexure” to the Red Herring Prospectus.

**6. There are certain restrictive covenants in the loan agreements entered into by our Company which could influence the Company’s ability to expand, in turn affecting its business and results of operations**

The Company has entered into loan agreements with Bajaj Auto Finance Limited, HDB Financial Services Limited, City Union Bank Limited and India Infoline Housing Finance Limited for financial assistance. The Company is subject to certain restrictive covenants of loan agreements entered into with their bankers. These restrictive covenants require the Company to obtain a prior permission of the banks for various activities, including inter alia, effecting any alteration in the Company’s capital structure; implementing any scheme of expansion / acquisition of any fixed assets; formulating a scheme of amalgamation or reconstruction; making any drastic changes in the Company’s management set-up. Future plans of the Company may get adversely affected if the Company in future desires to go for any of the aforementioned activities and the Banks’ approval is either unreasonably delayed or refused altogether. However, our Company has obtained prior permission to alter its share capital for raising funds through this Issue from HDB Financial Services vide their letter dated January 21, 2011, India Infoline Housing Finance Limited vide their letter dated January 31, 2011, Bajaj Auto Finance Limited vide their letter dated February 02, 2011 and City Union Bank Limited vide their letter dated September 20, 2011. For details on the secured loans and the restrictive covenants, please refer to the section titled “Restrictive Covenants” on page 163 of this RHP.

**7. One of the Promoters of our Company, Mr. H. Noor Mohamed, has interest in certain entities, which may engage in similar businesses, and this may create a conflict of interest. Further, we do not enjoy contractual protection by way of a non-compete or such other agreement or arrangement with our Group Entities.**

Two of our Group Entities namely M/s. Olympia Paper and Stationery Stores and M/s. Olympic Paper Products are trading in the products such as paper boards, paper napkins and paper plates similar to those of our Company. As on date, our Company has not signed any non-compete or such other agreement with our Group Entities, thus the interests of these entities may conflict with our Company’s interests and / or with each other’s if these entities expand their business in the future. For further details, please refer to the chapters titled “Group Entities”, beginning on page no 121 of this Red Herring Prospectus.

**8. One of our Promoters is also actively involved in the management of promoter group entities, which may take time and attention away from the management of our business thereby affecting our results of operations and financial condition adversely.**

Mr. H. Noor Mohamed, one of the Promoters is actively involved in our management as well as of other entities in our promoter group. Attention to the other promoter group entities may distract or dilute our Promoter’s attention from our business, which could adversely affect our results of operations and financial condition.

**9. We have taken on lease a property from our Managing Director and therefore he has interests in our Company other than normal remuneration or benefits.**



We have taken on rent following properties from Mr. H. Noor Mohamed (Managing Director) and one of the members of our promoter group of our Company. He is interested to the extent of amount paid as rent for the properties leased by him to the Company. The details of the same are given in the table hereunder. For further details, please refer page nos. 71 and 147 for the sections “Business Overview” and “Transactions with Related Parties” of this RHP.

Location of the Property	Date of Lease Agreement	Deposit Paid (In ₹)	Lease Amount	Lease Period
No. 52, Malayaperumal Street, Chennai – 600 001	May 01, 2007	1,25,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal
No. 9 Chinnathambi Street, Chennai – 600 001	May 01, 2007	1,25,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal
No. 10 Chinnathambi Street, Chennai – 600 001	May 01, 2007	1,25,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal
No. 957, Raja Street, Coimbatore- 641 001	May 01, 2007	83,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal
No. 195, N.S.C. Bose Road, Chennai – 600 001	April 01, 2010	2,15,00,000*	Monthly Rent of ₹ 7500	Initially for a period of 5 Years and 11 months, with an option for further renewal

\*The said property has been taken on lease by the Company from Mr. H. Noor Mohamed, Managing Director and Promoter of the Company vide an agreement dated April 01, 2010. The said property comprises of an area equivalent to 31,780 sft. The prevailing monthly rent in the said locality is around ₹50 per sft. which works out to an amount of ₹15,89,000 p.m. or ₹1,90,68,000 p.a. As the amount of rent worked out was very high, it was mutually decided to proceed with a higher amount of security deposit and a lower amount of rent.

**10. One of our group entities has incurred loss in one out of last three financial years.**

Our group entity M/s Olympia Paper and Stationary Stores has incurred a loss of ₹ 3.17 Lacs for the F.Y. 2010-11. For further details regarding the performance of our group entities, please refer page no. 121 of this RHP.

**11. We have entered into certain transactions with related parties and there is no assurance that we may not continue to do so in future also. This could have an adverse effect on our financial condition and result of operation**

During the course of our business, we have entered into certain transactions with related parties, aggregating to ₹ 385.59 Lacs for the period ended December 31, 2011 and ₹ 408.60 Lacs for the year ended March 31, 2011. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have obtained more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into such transactions with related parties in the future. 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 operation. For details related to such transactions refer to section titled ‘Financial Statements’- “Transactions with Related Parties” beginning on page no. 147 of this RHP.

**12. Mishaps or accidents at the manufacturing facilities could result in a loss or shutdown of operations and could also cause damage to life and property**

Although we do not have any history of any mishap or accident at our manufacturing facility in the past, our manufacturing facilities are subject to the risks of mishaps or accidents which could lead to property damage, property loss and accident claims. Any such incident could have an impact on our business operation and profitability.

**13. We depend on the adequate and timely supply of raw materials at reasonable prices. Any delay in procuring requisite raw materials at suitable prices could affect our business operations**

Our business is significantly affected by the availability, cost and quality of the raw materials which we need for manufacturing of our products. The prices and supply of raw materials depend on factors not under our control, including domestic and international general economic conditions, competition, and availability of quality suppliers, production levels, transportation costs, etc. Moreover, our Company has not entered into any long term contract with the suppliers. If, for any reason, our primary suppliers of raw materials should curtail or discontinue the delivery of such materials to us in the quantities we need, provide us with raw materials that do not meet our specifications, or at prices that are not competitive or not expected by us, our ability to meet our material requirements for our projects could be impaired, our manufacturing schedules could be disrupted and our results of operations and business could suffer.

**14. Our inability to manage growth could have a bearing on the operations of our business and reduce our profitability**

A principal component of our strategy is to grow continuously by expanding the size and scope of our existing business. This growth strategy will place significant demands on our management, finance and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. An inability to manage such growth could disrupt our business prospects and adversely affect our results of operations.

**15. The insurance policies obtained by us may not be adequate to protect us against certain risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage**

We have various types of insurance policies covering the building, stacks and vehicles but we cannot assure that the level of insurance maintained by us is adequate to cover all normal risks associated with the operation of our business, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all the material losses. Any damage suffered by us in respect of uninsured events or for which our insurance is inadequate, the effect of such losses will have to be borne by us. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial conditions and results of operations. For further details regarding the insurance policies taken by us, please refer to the section 'Insurance Policies' on Page 95 of this Red Herring Prospectus.

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

Our business requires significant amount of working capital. Our Company has an arrangement of cash credit facility worth ₹ 250.00 Lacs with City Union Bank Ltd., George Town Branch, Chennai for working capital requirements. However, significant amount of our working capital is required for purchasing and maintaining raw materials like papers, inks, etc. These raw materials are purchased locally or imported, if not locally available. All these factors may result in increase in the quantum of our current assets and short-term borrowings, which may exceed the cash credit facilities given by our bankers. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our financial condition and results of operations.

**17. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.**

Some of our competitors are national and international companies and have access to greater resources or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Any failure to keep abreast with technological advancements might place our competitors at an advantageous position in terms of cost, efficiency and timely services. We may not be able to maintain our growth rate and revenues and our profitability may decline. Any of these factors may have a material adverse effect on our business prospects.

**18. Our ability to pay dividends will depend upon earnings, financial condition, cash flows, working capital requirements and other factors.**

Our Company has paid dividend consistently in past 5 years. However, the amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lenders' approvals and other factors. There can be no assurance that we shall have distributable profits or that we will declare dividends in the future. Additionally, the terms and conditions of any financing we obtain in the future may include restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

**19. Any failure to keep abreast with the latest trends in the designs of our products and technologies used for our products may adversely affect our cost competitiveness and ability to develop new products.**

The market we operate in is characterized by rapid change in designs and technologies for printing, evolving new product designs and service introductions. Our future success will depend on our ability to anticipate these trends and develop new product designs to meet client needs. We may not be successful in anticipating or adequately responding to these trends on a timely basis, or, if we do respond, our designs and our products may not be successful in the marketplace. Further, products that are developed by our competitors may render our offerings non-competitive or force us to reduce prices, thereby adversely affecting our margins.

**20. We do not currently own the premises at which our registered office, few of our factory units and few of our sales offices are located, and the same are on lease arrangement. As a result, we may face problem of relocation in case of termination of lease or non renewal of lease on similar and favourable terms. This may also lead to the incurring of higher costs.**

Following are the locations of the premises which are not owned by us:

Nature of Property on lease	Address of Property	Name of owner	Date of commencement of Lease	Period of Lease	Deposit Paid (₹)	Rent paid per month
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			Agreement			(₹)
Registered Office and Showroom	No. 195, N.S.C. Bose Road, Chennai – 600 001	Promoter - Mr. H. Noor Mohamed	April 01, 2010	5 Years and 11 Months	2,15,00,000	7,500
Factory	Plot No. 4, Vyasarpadi Co - Operative Industrial Estate, Chennai – 600 039	Olympic Plastic Products	July 01, 2007	5 Years	2,00,000	2,000
Godown	No. 9, Chinnathambi Street, Chennai, 600 001.	Promoter - Mr. H. Noor Mohamed	May 01, 2007	5 Years	1,25,000	3,000
Godown	No. 10, Chinnathambi Street, Chennai, 600 001.	Promoter - Mr. H. Noor Mohamed	May 01, 2007	5 Years	1,25,000	3,000
Godown	No. 52, Malayaperumal Street, Chennai – 600 001	Promoter - Mr. H. Noor Mohamed	May 01, 2007	5 Years	1,25,000	3,000
Showroom	No. 162/1 Road, Thiruvanniyur, Chennai – 600 041	Mrs. Uma Kumar, Mrs. Rama Krishnan, Mr. C.S. Hariharan, Mr. C.S.V. Raman, Mrs. Aarti Amaralal	November 15, 2007	5 Years	17,00,000	2,01,250
Showroom	Door No. 23, New Door No. 53, Anderson Street, Chennai – 600001	Mr. R. Selvamani	April 28, 2010	3 Years	2,00,000	15,000
Showroom	Old No. 29, New No. 47, North Usman Road, T. Nagar, Chennai – 600 017	Mr. B. Ramachandran	July 21, 2010	2 Years	10,00,000	85,000
Showroom	No. 957, Raja Street, Coimbatore – 641 001	Promoter - Mr. H. Noor Mohamed	May 01, 2007	5 Years	83,000	3,000

As mentioned above, these lease agreements may be renewed subject to mutual consent of the lessor and us. In the event that the lessor requires us to vacate the premises, we will have to seek new premises at short notice and for a price that may be higher than what we are currently paying, which may affect our ability to conduct business or increase our operating costs.

There are some properties which are due for renewal in the next few months. We do not foresee any problem in renewing the said properties, as majority of the said properties belong to our Promoters / Group Entities. Therefore, our Company has not made any alternate arrangements for the same.

**21. All our current manufacturing facilities are geographically located at one place, i.e. Chennai and the loss or shutdown of operations at the facility could have a material adverse effect on us**

All our existing manufacturing facilities are based in Chennai. Though there have been no instances of any labour unrest in past but any local social unrest, natural disaster or break down of services and utilities in that area in future could have material adverse effect on the business, financial position and results of operation of our Company.

**22. “The geographical presence of our Company’s products is limited to the city of Chennai except one sales showroom which is located in Coimbatore.**

Our Company’s existing manufacturing facilities and self-operated sales showrooms are based in Chennai except one sales showroom which is located in Coimbatore. All the five franchisees of the Company are also based in Chennai. Our Company’s failure or inability to accomplish a presence outside Chennai and Coimbatore may impede its growth and business prospects as compared to other established players.”

**23. We operate under certain regulatory licenses, permits and approvals and any delay or inability to obtain, maintain or renew these statutory and regulatory licenses, permits and approvals may adversely affect our business and operations**

We require various statutory and regulatory licenses, permits and approvals to operate our business. Many of these licenses, permits and approvals are granted for a fixed period of time and need renewal from time to time. We are yet to apply for the Factory Licence, construction of factory building and Sanction for Power Connection with the relevant authorities for our proposed factory at No. 90, Kannigaiper village, Uthukottai Taluk, Thiruvallur District, Tamil Nadu. The said application is proposed to be made in the month of March, 2012.

There can be no assurance that we will receive or renew such licenses, permits and approvals in the expected time frame anticipated by us 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 the conditions 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 may result in the interruption of our Company’s operations and may have a material impact on our business.

## **PROJECT RELATED RISKS**

**24. There can be delay in setting up of the Retail Outlets for which ₹ 316.00 Lacs have been earmarked in this Issue, as we have not yet entered into any lease agreement with the property owners. This may have a material impact on the results of operations of our Company**

We have plans for setting up 4 own Retail Outlets at various places across Chennai and have finalized the location for the same but have not yet entered into any lease agreement with the property owners. We cannot assure that we will be able to expand and grow at the rate at which we desire to, as we may not be able to find suitable space in the identified locations that we believe will be necessary for implementing our marketing strategies and the same may have a material impact on the results of operations of our Company. For further details, refer to “Objects of the Issue” on page no 41 of this Red Herring Prospectus.

**25. Our funding requirement and deployment of the issue proceeds are based on management estimates and have not been appraised by any bank or financial institution and actual cost may vary compared with the estimated amount**

Our funding requirement and deployment of the proceeds of the issue are based on management estimates, current quotation from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution and are based on our estimates and on third party quotations. We may have to revise our expenditure and fund requirements as a result of variations including the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external

factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the 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.

**26. The deployment of funds is entirely at our discretion and no independent agency has been appointed to monitor its deployment**

As per SEBI (ICDR) Regulations, 2009, appointment of monitoring agency is required only for Issue size above ₹ 50,000 Lacs. Our issue size is below ₹ 50,000 Lacs and it is not mandatory for us to appoint monitoring agency, hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds.

The deployment of 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. Further, we cannot assure that the actual costs or schedule of implementation of the proposed manufacturing facility will not vary from the estimated costs or schedule of implementation, and such variance may be on account of one or more factors, some of which may be beyond our control. However, the deployment of funds towards the object of the Issue will be monitored by our audit committee and the Company shall inform about material deviations in the utilization of issue proceeds, if any, to the stock exchange and provide the details in the Balance Sheet about the same.

**27. Our proposed business plan is dependent on performance of external agencies. Any non performance by these agencies may result in incremental cost and time overruns of the Project and in turn could adversely affect our business operations and profitability**

Our proposed business plan is dependent on performance of external agencies, like civil contractors, equipment suppliers who are responsible for construction of buildings, installation, commissioning and testing of equipments. We cannot assure that the performance of these external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements with respect to timeline and quality of performance, we may require to replace these external agencies even, which could result in incremental cost and time overruns of the proposed business plan, and in turn could adversely affect our business operations and profitability.

**28. We are yet to place orders for the entire plant and machineries aggregating to ₹ 932.00 Lacs required as part of our expansion plans. Any delay in placing the orders or supply of plant and machineries may result in cost and time overrun and thereby affect our profitability**

We propose to acquire plant and machinery aggregating ₹ 932.00 Lacs for our proposed expansion project but we have not placed orders for entire plant and machineries required for our proposed expansion plan. Further, we are subject to risks on account of inflation in the price of plant and machineries that we require. Any delay in placing the orders or supply of equipment may result in cost and time overrun. The details of quotations received appear in the paragraph titled "Plant and Machinery" beginning on page no. 43 under the Section "Objects of the Issue" of this Red Herring Prospectus. Also, please refer the section "Schedule of Implementation and Deployment of Funds" on Page No. 46 of this Red Herring Prospectus which shows plans of our Company to place the orders and installation of the plant and machineries.

**29. The implementation of the project for which proposed issue is planned is at a very preliminary stage. Any delay in implementation of the same may increase the capital cost and also affect returns from the project**

We are in the process of enhancing our capacities through the proposed expansion. The same is being implemented on the existing land available. We have estimated the cost and drawn the implementation schedule based on our experience. Presently, the implementation is at a preliminary stage. Any delay in implementation of the same may increase the capital cost and also affect the realization of returns from the project.

## **EXTERNAL RISK FACTORS**

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

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

### **31. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

We are subject to various regulations and policies. For details see section titled "Key Industry Regulations" beginning on page 97 of this RHP. Our performance and growth are dependent on the health of Indian economy and in particular, the economies of the regional markets we presently serve or propose to serve. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial conditions and results of operations.

### **32. Global economic, political and social conditions may affect our ability to do business, increase our costs and negatively affect our business.**

Global economic and political factors that are beyond our control could directly affect our performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

### **33. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.**

We are incorporated in India and derive our revenues from operations in India and all of our assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by the Indian market, which in turn may be affected by foreign exchange rates and controls, interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments affecting India.



The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. The current government has announced that its general intention is to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations.

**34. Instability in Indian financial markets could adversely affect the Company's results of operations and financial condition.**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although, economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The recent global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, has led to a loss of investors' confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on the Company's business, operations, financial condition, profitability and price of its shares. Stock Exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**35. Force Majeure events such as terrorist attacks, war, natural disaster or other catastrophic events may disrupt or otherwise adversely affect the markets, result in loss of customer's confidence, and adversely affect our business, financial condition and results of operations.**

Our business may be adversely affected by, terrorist attacks, war, natural disaster or other catastrophe. A catastrophic event could have a direct negative impact on us or an indirect impact on us, for example, affecting our customers, the financial markets or the overall economy. In recent times, terrorist attacks in India have become more prevalent. Such attacks may have a material adverse effect on the Indian and global financial markets. Any deterioration in relationship of India with its neighboring countries may result in actual or perceived regional instability. Events of this nature in the future could have a material adverse effect on our ability to develop our operations. As a result, our business, prospects, results of operations and financial condition could be materially and adversely affected by any such events.

**36. Any changes in the labour laws or other industry standards, in the jurisdictions in which we operate, applicable to us, our operations and the profitability may be adversely affected.**

We are subject to a number of labour laws related to the levels of employment. India has stringent labour legislation that protects the interests of workers, including legislations that set forth detailed procedures for dispute resolution and employee removal and legislations that impose financial obligations on employers upon retrenchment. Our employees may also in the future form unions. If labour laws become more stringent or are more strictly enforced or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

**37. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.**

You may be unable to resell your Equity Shares at or above the issue price and, as a result, you may lose all or part of your investment. The price at which the Equity Shares will trade after this listing of the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses where we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices of the securities of Indian Companies. As a result, investors in Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

**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 the cover page of the Red Herring Prospectus.
2. Public Issue of [●] Equity Shares of ₹ 10/- each, for cash at a price of ₹ [●] per Equity Share aggregating upto ₹ 2500.00 Lacs (herein after referred to as the “Issue”). The Issue would constitute [●] % of the Post Issue Paid-Up capital of our Company.
3. Pre-issue net worth of our Company, as per our restated financial statements, as on December 31, 2011 is ₹ 1247.73 Lacs.
4. Book value per Equity Share of ₹ 10/- of our Company, as per our restated financial statements, as on December 31, 2011 is ₹ 14.65.
5. The average cost of acquisition of Equity Shares after considering the sales, if any, by our Promoters is as follows:

Sr. No.	Name of the Promoter	Average Cost of acquisition (In ₹)
1	Mr. H. Noor Mohamed	6.45
2	Mrs. S. Jarina	5.62

6. For details on Related Party Transactions, refer to the section titled “Transactions with Related Parties” page 147 of this RHP.
7. None of our Group Companies have any business interest in our Company, except as detailed under the heading “Transactions with Related Parties”, beginning on 146 under Chapter titled “Financial Information” beginning on page 127 of the Red Herring Prospectus.
8. No part of the Issue proceeds will be paid as consideration to Promoter, Directors, Key Managerial Personnel or persons forming part of Promoter Group
9. For details of the transactions in the Equity Shares of our Company, directly or indirectly, by the Promoters, their relatives and associates, the Promoter Group and the Directors in the past six months, refer notes to the section ‘Capital Structure’ on page 26 of this RHP.
10. There are no financing arrangements, directly or indirectly, whereby persons forming part of the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of equity shares of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.
11. Except as stated under the notes to the section ‘Capital Structure’ on Page 26 of this RHP, our Company has not issued any shares for consideration other than cash.
12. For details on lien and hypothecation of movable and immovable property, please refer to section Financial Indebtedness on page 162.
13. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Section “Financial Information” beginning on page 127 of this RHP.

14. There are no Contingent Liabilities not provided for as on the date of filing of this RHP.
15. Trading in equity shares of our Company for all the investors shall be in dematerialized form only.
16. All information shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
17. Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 50 of this RHP before making an investment in this Issue.
18. This Issue is being made in terms of regulation 26 (1) of the SEBI Regulations and through a 100% Book Building process wherein up to 50% of the Issue shall be allocated on proportionate basis to Qualified Institutional Buyers (‘QIBs’), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Mutual Funds portion will be met by a spill over from the QIB portion and be allotted proportionately to the QIB Bidders. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.
19. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Non-Institutional Bidders and Retail Individual Bidders. For details, refer to the chapter titled “Issue Procedure” on page 192 of this RHP.
20. Under-subscription of the Issue, if any, in any category will be met by spill over from other categories at the discretion of the Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.
21. Investors are advised to go through the paragraph on “Basis of Allotment” beginning on page 219 of this RHP.
22. Our Company and the BRLM will update the Red Herring Prospectus in accordance with the Companies Act and the SEBI (ICDR) Regulations, 2009. 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 at road shows, presentations, in research or sales report, at bidding centers etc.
23. Our Company was originally incorporated as ‘Olympic Business Credits (Madras) Private Limited’ on April 21, 1992 under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu (‘ROC’). The name of our Company was subsequently changed to ‘Olympic Business Credits (Madras) Limited’ on conversion into Public Limited Company and a fresh Certificate of Incorporation was obtained from ROC on October 31, 1996. Further, the name of the Company was changed to ‘Olympic Cards Limited’ and a fresh Certificate of Incorporation was obtained from ROC on June 02, 1998. However, the new name does not suggest any change of activity and Company continues to carry on the same activity.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

*Unless otherwise indicated, the information in this section is derived from industry report prepared by CRISIL Research and other industry sources. It has not been independently verified by the Company, the Book Running Lead Manager and their respective legal or financial advisors, and no representations is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions shall not be based on such information.*

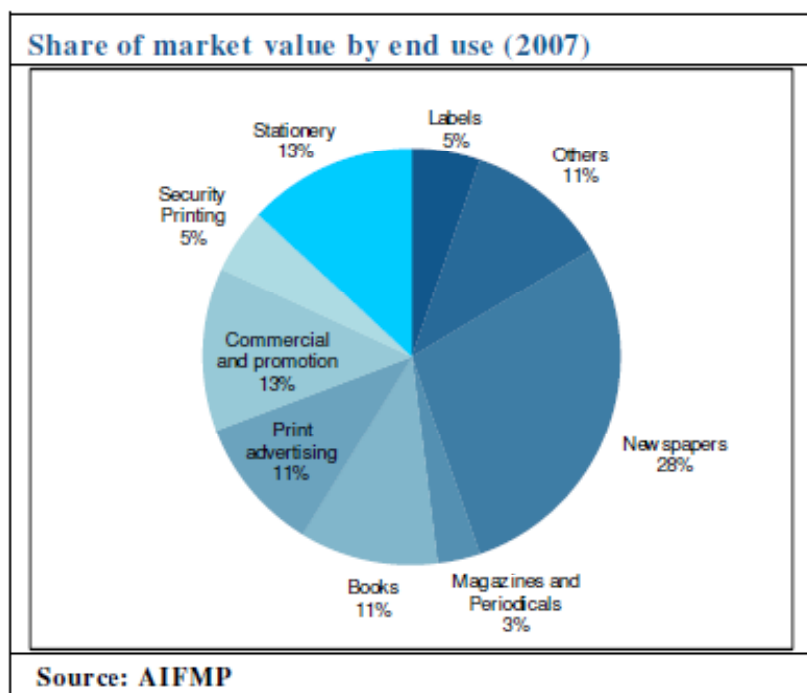
#### **Printing Industry**

##### **An overview**

The global and domestic printing industry has recorded strong growth over the last few years. The advent of Internet has not affected the growth and requirement for printing professionals. The printing industry's machinery has improved immensely in terms of scope, technology and speed. Computers and electronics have invaded all departments of printing, improving quality and speed of jobs executed and consequently, enhancing costs enormously.

There are a number of publishing firms in the private sector scattered throughout the country. However, majority of these are small in operation and confined to producing titles in Indian regional languages, catering to the needs of local markets. Only a few publishing concerns in India are reasonably large, equipped with proper infrastructure such as printing presses, distribution network and producing more than 50 titles annually. In totality, the Indian publishing industry is counted amongst the top seven publishing industries globally. According to industry sources, there are more than 160,000 printing presses in active operation all over the country employing a work force of 1.6 million.

Of the various end use segments of printing, the newspapers account for nearly 28 per cent share of the market value; stationery follows with a 13 per cent share. The rest is fragmented amongst books, commercial and promotion, print advertising and magazines.



The overall printing industry is expected to grow to Rs 828 billion by 2012 from about Rs 475 billion in 2007 with a 2007-12 CAGR of 11.2 per cent. Segments like books and print media are projected to witness a faster growth rate of around 10 per cent each during the same period. The segment wise market value is shown in the table hereunder:

#### Segment wise market value

Segment	2007 (Rs billion)	2012P (Rs billion)	CAGR (%) 2007-12
Newspapers	130.6	215.7	10.5%
Magazines & Periodicals	15.2	22.9	8.5%
Books	49.8	79.7	10.0%
Stationery	60.5	89.4	8.1%
<b>Total</b>	<b>475.5</b>	<b>828.1</b>	<b>11.2%</b>

**Source: AIFMP , CRISIL Research**

#### i. Wedding cards

The wedding cards industry has grown hugely due to an increase in demand for gracefully designed wedding cards. The earliest kinds of invitations were handwritten decorated with great care. Later, a typed version on various kinds of papers emerged. Invitations assumed a bigger dimension as they started getting printed. More decorations, colours and styles were involved making invitation cards both a visual treat and a lucrative business.

Recent years have seen a shift from the usual trends. Traditional wedding cards with common illustrations of a young couple holding hands, simple images of deities, or the picture of entwined hearts have given way to computer-created graphics and designs. Wedding cards were initially made on traditional yellow paper but today

different varieties of paper and boards such as Ivory Board, Colour Board, Handmade Art Paper, Nonwoven sheets and velvet cloth are used for the same.

The wedding card market in India for the ten million marriages performed annually is estimated by industry sources to be currently worth Rs 8000 to Rs 10,000 crore. On an average, an Indian family spends close to Rs 20,000-Rs 30,000 on invitation cards for a wedding that costs Rs 15 lac. The elaborate wedding invite comes with the main card and three to four add-on cards. Different types of wedding cards as per religion and designer cards, scrolls, handmade invites and jewelled cards are available in the market. Cards are available in various shapes and sizes besides the regular rectangular shape. There are simple abstract designs on henna-red handmade paper or more realistic forms on gold, silver or ivory printed sheets. Silkscreen printing and offset printing are in vogue. Printers source paper from Punjab and Madhya Pradesh, and from cities like Delhi, Kolkata and Ballarpur. Most of the imported paper comes from Japan, Indonesia and Italy.

## **ii. Greeting cards**

According to industry sources, the estimated greeting card market was around ₹ 300 crore in 2008. The organized sector accounts for more than 50 per cent of the greeting card market and Archies Greeting Cards accounts for around half of the organized sector. The Company deals in brands like American greetings, Carte blanche, Fizzy Moon, and Russ Berrie.

Bulk orders by corporates drive the seasonal sales of greeting cards. While some card manufacturers, experiencing a decline in greeting card demand due to more eco-friendly and economic alternatives like sms and e-greetings, have moved to the gifting segment, others have introduced newer designs that exhibit emotive expressions and add value to the greeting.

The gifting segment, which constitutes a huge market, has many players from the social expression card segment. Some of the companies have tied up with several international brands to bring gifting in a big way keeping in mind the growing affluent society and the desires of the Indian consumer. Among the various gifts articles, the most common include soft toys, perfumes and deos, premium chocolates, fashion jewellery and posters.

India's per capita consumption of greeting cards is low as compared to that of the US and the UK. In the US, as of 2008, greeting cards were a \$10.8 billion market, with Christmas, Birthday, and Valentine's Day cards representing the top three segments. The sales of subscription based electronic greeting cards had also increased in the US with the volumes at around 5 per cent of the number of paper cards sold.

### ***Growth drivers - Wedding cards***

#### **Steady growth in the wedding industry**

Many business enterprises including jewellerys, caterers, couture, flower shops, printing press, music, transportation, photography and videography make up the wedding industry. The wedding planning sector has emerged as a stress buster owing to the lack of any single enterprise providing all amenities in a one-stop shop. Lavish wedding gowns, themes and receptions have become trendy as they represent the societal status and economic class of a couple.

Industry experts' latest estimate of the size of the wedding industry in India is a whopping ₹ 1,90,000 crore in 2010. With the industry growing at an average rate of 25 per cent per annum, the lavishness doled out by Indians on weddings is getting larger with exhibitors and designers from Pakistan entering the market. Industry experts indicate that an elaborate wedding takes place for around a crore and a half while the average wedding expenditure for a middle class family comes to about ₹ 15 Lacs without the jewellery.



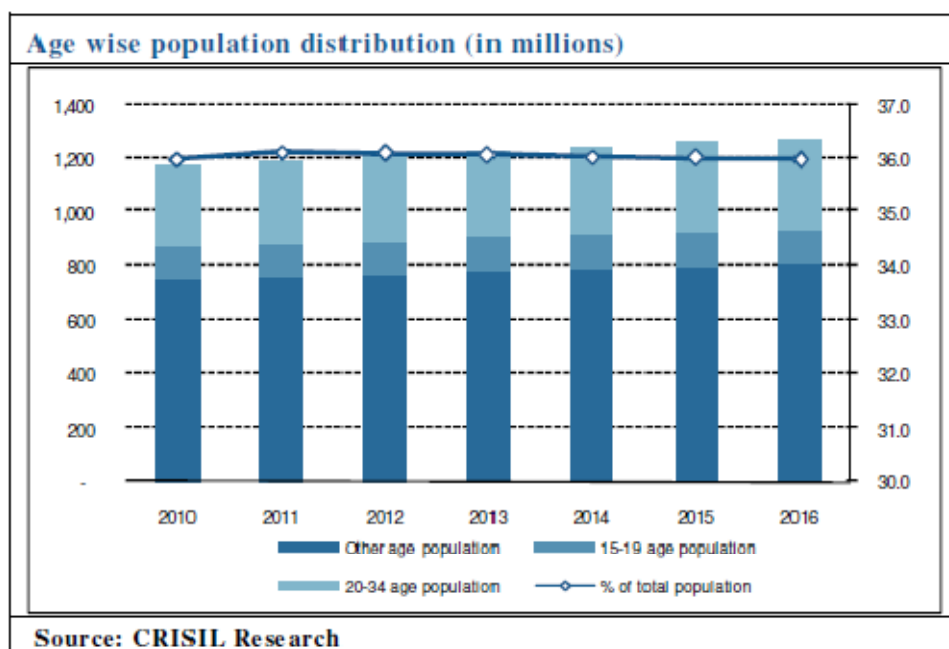
Online portals like Shadi.com, Bharat matrimonials and others rack up revenues of ₹ 200-250 crore from match-making annually, and believe the business can only get bigger. While the traditional tentwallas still rule the roost, creative wedding planners are also making the most of it. Theme weddings are the latest trend in Indian weddings; the decor only costs between ₹ 50,000 and ₹ 3 Lacs. Wedding planners have innovative ideas, offering a wide range of themes - Royal Victorian, Buddha, Mughal-style, Egyptian and Moroccan fusion and traditional Rajwada, to name a few. India has also become a perfect destination for beach weddings given its large number of beaches.

### Global wedding market

More than two million couples got married in 2008 in the US alone. China has nearly 9 million marrying couples every year, spending \$19,900 per wedding. A traditional Japanese wedding would cost a couple an average of \$70,000 according to the Census of Japan in 2005. Las Vegas, Nevada is ranked as number one city where most couples from all over the world plan to wed, with around 106,000 weddings a year. Istanbul, Turkey with 92,000 weddings annually follows close behind. Gatlinburg in Tennessee and New Orleans in Louisiana, both in the United States, are next in line. The Caribbean, Mexico, and almost all parts of Europe are expensive wedding destinations.

### Significant population in marriageable age group

The marriage age group population (ages between 15 and 34) forms a significant proportion of the total population and is expected to remain high in the coming years. As per the Census 2001 projections, population in the age bracket of 15-34 is projected to grow and account for nearly 36 per cent of total population by 2016. This is likely to result in a significant increase in marriages and consequently lead to strong growth in wedding related products like wedding cards.



With increase in the number of people in the marriageable age and with increase in household income we believe that there will be an increase in the spend on weddings. This is likely to result in strong growth in all the allied industries related to weddings like wedding cards etc. over the medium term.

### SUMMARY OF OUR BUSINESS

Our Company was originally incorporated as ‘Olympic Business Credits (Madras) Private Limited’ on April 21, 1992 under the Companies Act, 1956 at Chennai vide Certificate of Incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai (‘ROC’). The Company was converted into a Public Limited Company with effect from March 22, 1995 and the name of our Company was changed to Olympic Cards Limited with effect from May 13, 1998.

Initially, in November, 1962, Mr. N. M. Habibullah, father of our Promoter Mr. H. Noor Mohamed started business under the name of “Olympia Paper & Stationery Stores”, a Proprietary concern. The Proprietary concern was later converted into a Partnership firm in the year 1974 with its partners being Mr. H. Noor Mohamed and Mr. H. Salahudeen, both brothers. Originally, the Partnership firm was engaged in the business of manufacturing and trading of Wedding Cards, Greeting Cards, Office Envelopes and Papers & Boards and later on confined to trading of diaries. In 1992, the group established a Private Limited Company named “Olympic Business Credits (Madras) Private Limited” which was later on converted into a Public Limited Company. The Company was formed mainly with a view to capture the market of wedding cards and other associated products, like Greeting Cards, Office Envelopes, Cloth-lined Covers, Student Notebooks, Account Books, Files, etc., and continued to carve a niche for itself in its segment of business. In the year 2003, the Group started partnership firm named “Olympic Paper Products” for the purpose of trading in various kinds of disposable paper products. In the next year, i.e. 2004, the Group started another partnership firm named “Olympic Plastic Products” for the purpose of carrying on the business of manufacturing and trading in different kinds of disposable plastic products. In the same year, both the brothers and founders of the Olympic Group, Mr. H. Noor Mohamed and Mr. H. Salahudeen Babu, decided to do the business independently with mutually agreed terms and conditions. Further, they have agreed to use the brand name “Olympic” and have agreed not to sell, lease or otherwise dispose the brand name to any other person other than their children and their successors.

Under the brand “OLYMPIC”, we are one of the leading manufacturers of paper / board based products, with a presence mainly in southern India. Our Company is presently engaged in the business of manufacturing and trading Wedding Cards, Greeting Cards, Envelopes, Letter Heads, Business Cards, Calendars, Notebooks, Account Books, etc. We are also trading in the business of printing inks. Our premier product is WEDDING INVITATION CARDS accounting for more than 50% of the current sales. Our invitation cards for Bharatanatyam Arangetram and brochures for Arangetram functions are most popular among the Non- Resident Indians who are nurturing Indian traditions to their children abroad. During the year 2000-01, we began export of our products including Wedding cards, Greeting cards, Visiting cards, Envelopes and Printing inks to foreign countries such as Malaysia, Singapore, Sri Lanka & Dubai. We have plans to expand our market presence both within and outside India.

The contributions to total revenue of our products for the period ended December 31, 2011 and for the financial years ended 2011 and 2010 is set forth in the following table:

(₹ in Lacs)

Sr. No.	Product Range	For the Period Ended December 31, 2011		F.Y. 2011		F.Y. 2010	
		Amount	%of Total Revenue	Amount	%of Total Revenue	Amount	%of Total Revenue
1.	Wedding cards	1746.21	53.5%	1,883.99	49%	1,409.63	45%
2.	Greeting cards	212.16	6.5%	307.60	8%	313.25	10%
3.	Envelopes	391.67	12%	422.95	11%	294.14	9%
4.	Letter heads	65.28	2%	76.90	2%	62.65	2%
5.	Business cards	130.56	4%	153.80	4%	156.67	5%
6.	Calendars	97.92	3%	76.90	2%	156.63	5%
7.	Notebooks	163.20	5%	192.25	5%	156.63	5%
8.	Account books	65.28	2%	115.35	3%	93.98	3%
9.	Traded Goods	391.67	12%	615.21	16%	488.94	16%
<b>Total</b>		<b>3263.94</b>	<b>100%</b>	<b>3,845.04</b>	<b>100%</b>	<b>3,132.52</b>	<b>100%</b>

## **Our Competitive Strengths**

We plan to continue to capitalise on the following, which we believe to be our key strengths:

Olympic Cards Limited (Olympic) has a presence in the business of Wedding Cards for nearly 2 decades. Olympic is into the business of manufacturing of Wedding cards, Greeting Cards, Visiting Cards, Office Envelopes, Clothing Covers, Student Notebooks, Account Books, Files, etc. Our extensive experience in the industry enables us to gauge and understand the changing trends and growth prospects associated with the industry.

- **Existence of the group in the business for 5 decades**

The Olympic Group was founded in the year 1962 by Late Mr. N. M. Habibullah, father of our Promoter Mr. H. Noor Mohamed. Since then our brand “Olympic” is a household name for wedding and greeting cards in Tamil Nadu. Our brand is popular and well known to the general public for its quality, affordability, variety and reliability for more than 4 decades. The growth was not flash in the Pan achievement but a patient, calculated risk and effort cocktail, which has brewed the ‘Olympic’ brand into a household name for Wedding and Greeting Cards. Our Company is a consistent dividend paying Company.

- **Large-scale, versatile manufacturing infrastructure**

We compete with both small manufacturers with limited geographic reach and technical operations in the unorganised segment of the wedding cards and greeting cards and with other larger manufacturers in the organised segment of the wedding cards and greeting cards industry. We have three manufacturing facilities at Chennai. Our average production of cards per day is approximately 1,50,000 number of cards. Apart from the wedding cards and greeting cards we are also offering a wide range of products in the form of Envelopes, Letter Heads, Business Cards, Calendars, Notebooks, Account Books, etc. We believe that this large-scale and versatile manufacturing infrastructure gives us a significant advantage over the unorganised sector of the industry and allows us to compete more effectively with the organised manufacturers in the sector. Our large-scale, versatile operations allow us to develop efficient and cost-effective processes for different products at short notice and to maintain capacity to take on new opportunities as they arise. As a result, we are able to reach a large market through the scale of our operations and provide a product mix that responds to customer’s demands in a timely manner.

- **High-quality products**

We have invested in high-quality, technologically advanced printing manufacturing equipments to help us to ensure the efficient production of high-quality wedding cards and other products. The scale of our operations and our experience in the business, have enabled us to provide higher quality products in response to demands from customers for more “premium” paper / board based products. We believe our high-quality products sets us apart from the unorganized sector of the printing industry. We also believe that our investment in technology also allows us to provide higher quality products to our customers and this allows us to attract new customers and differentiate ourselves from smaller competitors.

- **Cost-efficiencies through scale, experience and technology**

The printing industry is dependent on raw materials. In particular, the cost of the paper from which we produce our products is our largest operating expense. We are able to achieve cost-efficiencies through our scale of operations and long experience in the industry and through our investment in latest technologies. The size of our operations and long-standing relationships with suppliers allows us to achieve cost-saving through bulk purchases and better rates. Our investment in modern machinery has also allowed us to achieve significant cost efficiencies through a reduction in wastage.

- **Research and Development**

In an industry where the new designs come every now and then, it becomes extremely necessary for the survival of a company to be as much innovative as possible to bring out new designs. To meet the said requirement, our Company has established an in-house Research and Development facility at Chennai. Our Research and Development team focuses on continuous improvement of operating parameters and they meet regularly to brainstorm possible measures for reducing cost, creating new designs and optimising outputs.

**Our Products**

Olympic Cards Limited is a fully integrated manufacturing and trading Company mainly involved in production and sale of Wedding Invitation Cards, Greeting Cards, Screen-Offset Printing Inks, Visiting Cards, Office Envelopes, Cloth-lined Covers, Student Notebooks, Account Books, Files, etc. We are using high quality paper & boards (both indigenous and imported) for our products by employing latest techniques and machinery in designing and developing our products to the taste of our domestic as well as foreign customers. Our Brand name 'OLYMPIC' is popular and well known to the general public for its quality, affordability, variety and reliability for more than four decades. Wedding Invitation Cards alone account for almost half of the total sales of our Company..

## THE ISSUE

Equity Shares Offered:	
<b>Public Issue of Equity Shares by our Company</b>	[•] Equity Shares of ₹ 10/- each for cash at a price of ₹ [•] aggregating upto ₹ 2500.00 Lacs.
<i>of which:</i>	
<b>A) Qualified Institutional Buyers (QIBs) Portion</b>	Up to [•] Equity Shares of ₹ 10/- each, constituting up to 50% of the Issue ( <i>allocation on proportionate basis</i> ) for cash at a price of Rs [•] aggregating ₹ 1250.00 Lacs.  Out of which 5% i.e. [•] Equity Shares of ₹ 10/- each for cash at a price of Rs [•] aggregating ₹ 62.50 Lacs will be available for allocation to Mutual Funds only and the remaining QIB portion will be available for allocation to other QIBs, including Mutual Funds.
<b>B) Non-Institutional Portion</b>	[•] Equity Shares of ₹ 10/- each, constituting not less than 15% of the Issue ( <i>allocation on proportionate basis</i> ), for cash at a price of Rs [•] aggregating ₹ 375.00 Lacs.
<b>C) Retail Portion</b>	[•] Equity Shares of ₹ 10/- each, constituting not less than 35% of the Issue ( <i>allocation on proportionate basis</i> ), for cash at a price of ₹ [•] aggregating ₹ 875.00 Lacs.
<b>Equity Shares outstanding prior to the Issue</b>	85,18,900 Equity Shares of ₹ 10/- each
<b>Equity Shares outstanding after the Issue</b>	[•] Equity Shares of ₹ 10/- each
<b>Objects of the Issue</b>	Please refer to chapter titled “Objects of the Issue” on page 41 of this RHP

\* No person shall make an application in the net offer to public category for that number of specified securities which exceeds the number of specified securities offered to public

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.

## SUMMARY OF FINANCIAL INFORMATION

The following table sets forth our financial information derived from the restated financial information for the period ended December 31, 2011 and the Financial Years ended March 31, 2011, 2010, 2009, 2008, and 2007. The restated summary financial information presented below should be read in conjunction with the Restated Financial Information included in this Red Herring Prospectus, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page no.127 and 152.

### Summary of Statement of Assets and Liabilities as Restated

(₹ in Lacs)

Particulars	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<b>A. Fixed Assets</b>						
Gross Block	1609.26	1,620.72	1,904.37	1,067.46	876.78	664.96
Less: Accumulated Depreciation	345.78	317.95	255.76	198.38	150.17	110.37
<b>Net Block</b>	<b>1263.47</b>	<b>1,302.77</b>	<b>1,648.61</b>	<b>869.08</b>	<b>726.61</b>	<b>554.59</b>
<b>B. Investments</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
<b>C. Current Assets, Loans and Advances</b>						
Inventories	1889.49	1,907.36	1,245.42	911.23	732.79	397.24
Sundry Debtors	28.41	32.90	20.46	35.67	46.78	54.18
Cash and Bank Balances	30.79	60.54	310.81	26.02	20.57	86.99
Loans and Advances	739.45	717.57	490.95	480.86	474.37	261.30
<b>TOTAL (C)</b>	<b>2688.13</b>	<b>2,718.36</b>	<b>2,067.64</b>	<b>1,453.78</b>	<b>1,274.51</b>	<b>799.71</b>
<b>D. TOTAL (A+B+C)</b>	<b>3951.65</b>	<b>4,021.18</b>	<b>3716.30</b>	<b>2322.91</b>	<b>2001.17</b>	<b>1354.35</b>
<b>Liabilities &amp; Provisions</b>						
<b>E. Loan Funds</b>						
Secured Loans	1510.46	1,623.32	1,829.37	941.99	875.74	758.01
Unsecured Loans	22.61	90.51	109.19	140.23	57.99	74.97
<b>TOTAL (E)</b>	<b>1533.07</b>	<b>1,713.82</b>	<b>1,938.55</b>	<b>1,082.21</b>	<b>933.74</b>	<b>832.98</b>
<b>F. Current Liabilities and Provisions</b>						
Current Liabilities	620.78	762.77	656.78	405.39	349.11	225.40
Provisions	428.96	312.00	202.43	93.53	53.04	21.20
<b>TOTAL (F)</b>	<b>1049.75</b>	<b>1,074.77</b>	<b>859.21</b>	<b>498.92</b>	<b>402.15</b>	<b>246.60</b>
<b>G. Deferred Tax Liability</b>	<b>121.11</b>	<b>128.57</b>	<b>92.71</b>	<b>11.80</b>	<b>10.63</b>	<b>10.98</b>
<b>H. TOTAL (E+F+G)</b>	<b>2703.93</b>	<b>2,917.16</b>	<b>2,890.47</b>	<b>1,592.93</b>	<b>1,346.52</b>	<b>1,090.56</b>
<b>Net Worth (D-H)</b>	<b>1247.73</b>	<b>1,104.02</b>	<b>825.83</b>	<b>729.98</b>	<b>654.66</b>	<b>263.79</b>
<b>Represented by :</b>						

Shareholders' Funds						
Capital	851.89	851.89	634.50	632.50	600.00	129.55
Reserves and Surplus	395.84	252.13	191.33	98.92	56.46	136.48
Miscellaneous Expenditure to the extent not written off or adjusted	-		-	(1.44)	(1.80)	(2.24)
<b>Net Worth</b>	<b>1247.73</b>	<b>1,104.02</b>	<b>825.83</b>	<b>729.98</b>	<b>654.66</b>	<b>263.79</b>

**Notes:**

- The increase in inventories in the F.Y. 2010-11 was mainly due to the following reasons:
  - The purchases of the Company have increased by around 26% as compared with the previous Financial Year.
  - The Company was in the process of making more costly items viz. wedding cards and note books (premium variety) for which they required more inventories and consequently the company had to hold back inventories and the value of the inventories held was higher on the closing date.
- In the F.Y. 2010-2011, the sundry debtors of the Company have increased in proportion to an increase in the total sales of the Company.
- In the F.Y. 2010-2011, the loans and advances of the Company have increased due to an increase in the payment of Self Assessment Tax, Advance Tax and Tax Deducted at Source. The aggregate amount has increased from ₹ 48,09,013/- to ₹ 2,51,14,442/- This increase is mainly due to self assessment tax paid for the year ending March 31, 2010 amounting to ₹ 97,75,404/- and advance tax paid for year ending March 31, 2011 amounting to ₹ 1,05,00,000/-.
- In the F.Y. 2010-2011, the sundry creditors of the Company have increased in proportion to an increase in the total purchases of the Company.

The increase in Provisions is on account of increase in the provision for Income Tax from ₹ 143.58 Lacs for the F.Y. 2009-2010 to ₹ 248.88 Lacs for the F.Y. 2010-2011.

- The Company has sold some of its fixed assets during the F.Y. 2010-2011. Consequently, the Company had prepaid some of the secured loans and repaid some of the unsecured loans. Hence, there is a decline in the outstanding loans.

Further, we confirm that we have not obtained any loan from the related parties except unsecured loan to the extent of ₹ 21.66 Lacs during the F.Y. 2009-2010 from Mr. H. Noor Mohamed, Managing Director and Promoter of our Company. The said amount had been repaid during F.Y. 2010-2011.



## Summary of Profit and Loss Account as Restated

(₹ in Lacs)

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>INCOME</b>						
Sales						
Manufactured Goods						
Domestic	1882.78	3,221.27	2,627.89	2,148.57	1,682.83	1,436.48
Export	10.15	8.57	15.67	25.94	40.73	36.50
Traded Goods						
Domestic	1370.81	593.65	481.05	447.04	284.80	223.56
Export	0.20	21.56	7.89	20.42	-	-
<b>Total Sales</b>	<b>3263.94</b>	<b>3,845.05</b>	<b>3,132.50</b>	<b>2,641.97</b>	<b>2,008.36</b>	<b>1,696.54</b>
Other Income	26.43	65.06	19.90	17.16	10.34	5.23
Increase / (Decrease) in Stock	(17.87)	661.93	334.19	178.44	335.55	(158.05)
<b>TOTAL INCOME</b>	<b>3272.51</b>	<b>4,572.04</b>	<b>3,486.60</b>	<b>2,837.57</b>	<b>2,354.25</b>	<b>1,543.72</b>
<b>EXPENDITURE</b>						
Operating Expenses	2471.93	3,497.81	2,674.17	2,388.33	1,973.11	1,276.09
Administration, Selling and other Expenses	205.76	272.78	192.14	130.47	102.49	87.85
Loss / (Profit) on Sale of Assets	36.50	-	3.29	3.76	1.65	0.23
Depreciation and Amortization	48.47	64.18	59.54	49.84	42.03	30.24
Personnel Expenses	70.38	90.75	56.57	29.33	14.53	14.65
Finance Charges	149.96	286.70	182.67	136.25	123.95	88.87
<b>TOTAL EXPENDITURE</b>	<b>2983.00</b>	<b>4,212.23</b>	<b>3,168.38</b>	<b>2,737.98</b>	<b>2,257.76</b>	<b>1,497.93</b>
<b>PROFIT BEFORE TAX &amp; PRIOR PERIOD ITEMS</b>	<b>289.51</b>	<b>359.81</b>	<b>318.22</b>	<b>99.59</b>	<b>96.50</b>	<b>45.79</b>
Provision for Taxation						
- Current Tax	103.59	105.29	108.02	20.57	19.92	3.17
- Deferred Tax Liability	(7.46)	35.86	80.90	1.18	-0.36	8.35
<b>PROFIT AFTER TAX &amp; BEFORE PRIOR PERIOD ITEMS</b>	<b>193.38</b>	<b>218.66</b>	<b>129.30</b>	<b>77.85</b>	<b>76.93</b>	<b>34.28</b>
Prior Period Items	-	-	-	-	-	-
<b>PROFIT AFTER TAX</b>	<b>193.38</b>	<b>218.66</b>	<b>129.30</b>	<b>77.85</b>	<b>76.93</b>	<b>34.28</b>
Profit brought forward from earlier years	149.49	180.88	96.43	56.46	58.31	42.25
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>342.87</b>	<b>399.54</b>	<b>225.73</b>	<b>134.31</b>	<b>135.24</b>	<b>76.52</b>

Proposed Dividend Final	42.59	38.13	31.65	30.25	23.43	11.66
Dividend Tax (including Surcharge)	7.07	6.33	5.24	5.14	3.98	1.98
Transfer to General Reserve	7.24	9.00	7.96	2.49	9.65	4.58
Issue of Bonus Shares	-	196.59	-	-	41.72	-
<b>SURPLUS / (DEFICIT) CARRIED TO BALANCE SHEET</b>	<b>285.96</b>	<b>149.49</b>	<b>180.88</b>	<b>96.43</b>	<b>56.46</b>	<b>58.30</b>

**Notes:**

- As the price realisation is better in the domestic market compared to the overseas market, our Company concentrated more on the domestic market. Hence, the exports of manufactured goods of our Company have decreased.
- There is a spurt in “Other Income” in F.Y. 2010-2011 on account of inclusion of profit of ₹ 39,49,000 on sale of land of the Company.
- The increase in “Finance Charges” in F.Y. 2010-2011 compared to F.Y. 2009-2010 is on account of interest for the full year on the funds borrowed during the last quarter of F.Y. 2009 – 2010.

## Summary Statement of Cash Flow as Restated

(₹ in Lacs)

Particulars	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
PBT	289.51	359.81	318.22	99.59	96.50	45.79
Add: Depreciation and Amortization	48.47	64.18	59.54	49.84	42.03	30.24
Add: Interest	147.63	241.19	154.99	132.15	101.66	86.82
Add: Loss on Sale of Assets	36.50	0.19	3.29	3.76	1.65	0.23
Less: Profit on Sale of Asset	-	(39.49)	-	-	-	-
EBIDTA	522.10	625.89	536.04	285.34	241.84	163.08
(Inc)/Dec in Inventory	17.87	(661.93)	(334.19)	(178.44)	(335.55)	158.05
(Inc)/Dec in Sundry Debtors	4.49	(12.44)	15.21	11.11	7.40	(12.14)
(Inc)/Dec in Loans & Advances	(6.55)	(23.56)	(3.47)	13.97	(192.10)	(5.74)
Inc/(Dec) in Current Liabilities	(141.99)	105.99	251.40	56.28	123.70	(32.19)
Inc/(Dec) in Provisions	8.17	(3.29)	4.30	11.94	5.71	(2.86)
Change in WC requirement	(118.01)	(595.24)	(66.75)	(85.13)	(390.84)	105.12
Cash from Operations	404.10	30.65	469.29	200.20	(149.00)	268.20
Taxes paid	(15.34)	(203.05)	(11.54)	(20.47)	(21.00)	(3.95)
<b>Net Cash Flow from Operations Activities</b>	<b>388.76</b>	<b>(172.40)</b>	<b>457.75</b>	<b>179.74</b>	<b>(170.01)</b>	<b>264.25</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
(Purchase) / Sale of Fixed Assets	(45.67)	320.95	(840.92)	(195.71)	(222.77)	(209.24)
(Purchase) / Sale of Investments			-	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(45.67)</b>	<b>320.95</b>	<b>(840.92)</b>	<b>(195.71)</b>	<b>(222.77)</b>	<b>(209.24)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Increase / (Decrease) in Proceeds from Issue of Equity Shares	-	104.00	2.00	32.50	340.90	22.75
Proceeds / (Repayment) of Borrowings	(180.75)	(224.73)	856.34	148.48	100.76	47.45
Interest Paid	(147.63)	(241.19)	(154.99)	(132.15)	(101.66)	(86.82)
Dividend Paid	(38.13)	(31.65)	(30.25)	(23.43)	(11.66)	(8.54)
Dividend Tax Paid during the year	(6.33)	(5.24)	(5.14)	(3.98)	(1.98)	(1.20)
<b>Net Cash Flow from Financing Activities</b>	<b>(372.85)</b>	<b>(398.82)</b>	<b>667.96</b>	<b>21.42</b>	<b>326.37</b>	<b>(26.37)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents during the</b>	<b>(29.75)</b>	<b>(250.27)</b>	<b>284.79</b>	<b>5.45</b>	<b>(66.42)</b>	<b>28.64</b>

year						
Cash and Cash Equivalents at the beginning of the year	60.54	310.81	26.02	20.57	86.99	58.34
Cash and Cash Equivalents at the end of the year	30.79	60.54	310.81	26.02	20.57	86.99

### GENERAL INFORMATION

Our Company was originally incorporated as ‘Olympic Business Credits (Madras) Private Limited’ on April 21, 1992 under the Companies Act, 1956 at Chennai with the Registrar of Companies, Tamil Nadu (‘ROC’). Subsequently, the Company became a public limited company and the name was changed to ‘Olympic Business Credits (Madras) Limited’ pursuant to Section 21 and 23 of the Companies Act, 1956 and a special resolution passed by the shareholders at the EGM held on March 22, 1995 and a fresh Certificate of Incorporation was obtained from ROC on October 31, 1996. The name of the Company was further changed to ‘Olympic Cards Limited’ as approved in terms of Section 44 read with Section 21 and 31 of the Companies Act, 1956 by the Central Government through Registrar of Companies, Chennai and accordingly a special resolution passed by the shareholders at the EGM held on May 31, 1998 and a fresh Certificate of Incorporation was obtained from ROC on June 02, 1998. For details of changes in the registered office of our Company, please refer the section titled ‘History and Certain Corporate Matters’ beginning on page 102 of this Red Herring Prospectus.

<b>Registered Office</b>	Olympic Cards Limited 195, N.S.C. Bose Road, Chennai – 600 001. Tel: +91-44-42921000, +91-44-25380652; Fax: +91-44-25390300
<b>Corporate Identity Number (CIN)</b>	U65993TN1992PLC022521
<b>Address of Registrar of Companies</b>	Block No. 6, B Wing, 2nd Floor, Shastri Bhawan 26, Haddows Road, Chennai – 600 034 Tel: +91-44-28277182, 28272676 Fax: +91-44-28234298
<b>Website</b>	www.olympicweddingcards.com
<b>Email</b>	office@oclwed.com

### Board of Directors

Our Board of Directors comprises the following members:

Name & Address of the Director	Designation	Status	Directors Identification Number (DIN)
<b>Mr. H. Noor Mohamed</b> Address: 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600 004	Managing Director	Executive & Non – Independent	00269456
<b>Mr. N. Mohamed Faizal</b> Address: 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600 004	Whole Time Director	Executive & Non – Independent	00269448
<b>Mrs. S. Jarina</b> Address: 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600 004	Whole Time Director	Executive & Non – Independent	00269434
<b>Mr. Lakshmanan Ramanathan (Alias) Lena Tamilvanan</b> Address: No. 7, Thanikachalam Salai,	Independent Director	Non – Executive & Independent	00269439

T. Nagar, Chennai – 600017			
<b>Mr. N. A. Ameer Ali</b> <b>Address:</b> No. 18A, Gandhi Nagar, 1 <sup>st</sup> Kodambakkam, Chennai – 600 024	Independent Director	Non – Executive & Independent	02111528
<b>Dr. S. Amuthakumar</b> <b>Address:</b> No.7, Noor Veerasamy Street, Nungambakkam, Chennai - 600 034	Independent Director	Non – Executive & Independent	03139309

For further details and profile of our Directors, please refer to the section titled “Our Management” on page no. 105 respectively of this RHP.

#### **Company Secretary & Compliance Officer**

##### **Mr. N. Gopalswamy**

195, N.S.C. Bose Road,

Chennai – 600 001

**Tel:** +91-44-42921000, +91-44-25380652

**Fax:** +91-44-25390300

**Email:** complianceofficer@oclwed.com

**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 Equity Shares in the respective beneficiary account or refund orders.**

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

#### **Bankers to our Company**

##### **ICICI BANK LIMITED**

P Box No: 1610, Dare House,

Annexe No.44, Moore Street,

Chennai – 600 001.

Ph: +91-44-45002081

Fax: +91-44-42162760

E-mail: arun.payankulath@icicibank.com

##### **CITY UNION BANK LIMITED**

No. 50, Armenian Street,

George Town,

Chennai – 600 001.

Ph: +91-44-25342340

Fax: +91-44-25340186

E-mail: cub043@cityunionbank.com

**Statutory Auditors to our Company**

**M/s C. S. Hariharan & Co.,**

Chartered Accountants

“Bagirathi”, Ground Floor,  
112/249, Royapettah High Road,  
Chennai – 600 014.

**Tel:** 044-4500 0141 / 4500 0142

**Fax:** 044-2813 1718

Email: cshariharan01@yahoo.co.in

**ISSUE MANAGEMENT TEAM**

**Book Running Lead Manager**

**Ashika Capital Limited**

1008, 10<sup>th</sup> Floor, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

**Tel:** + 91-22-6611 1700

**Fax:** + 91-22-6611 1710

**Email:** mbd@ashikagroup.com

**Website:** www.ashikagroup.com

**SEBI Regn. No.:** INM000010536

**Contact Person:** Ms. Nimisha Joshi / Mr. Rohit Bhansali

**Registrar to the Issue**

**Cameo Corporate Services Limited**

‘Subramanian Building’,  
No. 1 Club House Road,  
Chennai – 600 002

**Tel.:** +91-44 - 2846 0390, +91-44 - 2846 0425

**Fax:** +91-44 - 2846 0129

**E-mail:** olympic@cameoindia.com

**Website:** www.cameoindia.com

**SEBI Regn. No.:** INR 000003753

**Contact Person:** Mr. R. D. Ramasamy

**Legal Advisor to the Issue**

**Lakshmmi Subramanian & Associates**

**Advisors – Corporate Laws**

81, MNO Complex, Greaves Road,  
Chennai - 600 006

**Tel / Fax:** +91-44-2829 2272 / 73

**Email:** srisecadmin@rediffmail.com / srisecadmin@airtelmail.in



**Syndicate Member(s)**

**Ashika Capital Limited**

1008, 10<sup>th</sup> Floor, Raheja Centre,  
214, Nariman Point,  
Mumbai - 400 021

**Tel:** + 91-22-6611 1700

**Fax:** + 91-22-6611 1710

**Email:** mbd@ashikagroup.com

**Website:** www.ashikagroup.com

**Contact Person:** Mr. Mehul Chheda

**Kunvarji Finstock Pvt. Ltd.**

Shyamak Complex,  
Nr. Kamdhenu Complex,  
Ambawadi,

Ahmedabad – 380 015

**Tel:** +91-79-6666 9000

**Fax:** +91-79-2630 6456

**Email:** info@kunvarji.com

**Website:** www.kunvarji.com

**Contact Person:** Mr. Atul Chokshi

**Bankers to the Issue and Escrow Collection Banks**

**ICICI Bank Limited**

**Capital Markets Division**

30, Mumbai Samachar Marg,  
Mumbai – 400 001

**Tel:** +91-22-66310325

**Fax:** +91-22-22611138, +91-22-66310350

**Email:** kuchuri.himabindu@icicibank.com

**Contact Person:** Ms. Himabindu. K

**Dhanlaxmi Bank Limited**

Janmabhoomi Bhavan,  
Janmabhoomi Marg,

Mumbai – 400 001

**Tel:** +91-22-2202 2535, +91-22-6154 1857

**Fax:** +91-22-2287 1637, +91-22-6154 1725

**Email:** Venkataraghavan.ta@dhanbank.co.in

**Contact Person:** Mr. Venkataraghavan T. A.

**IndusInd Bank Limited**

Solitaire Corporate Park  
No. 1001, Building No. 10, Ground Floor,  
Guru Hargovindji Marg, Andheri East,  
Mumbai – 400 093.

**Tel:** +91-22-6772 3901 to 3917

**Fax:** +91-22-6772 3998

**Email:** suresh.esaki@indusind.com

**Contact Person:** Mr. Suresh Esaki

#### **Refund Banker**

##### **ICICI Bank Limited**

##### **Capital Markets Division**

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#### **Self Certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the Bid cum Application Form, please refer the SEBI Website, [www.sebi.gov.in/pmd/scsb.html](http://www.sebi.gov.in/pmd/scsb.html). For details on designated branches of SCSBs collecting the Bid cum Application Form from Syndicate ASBA, please refer the SEBI Website, [www.sebi.gov.in/pmd/scsb-asba.html](http://www.sebi.gov.in/pmd/scsb-asba.html).

#### **Statement of Responsibility of the Book Running Lead Manager**

Ashika Capital Limited is the sole Book Running Lead Manager to the Issue and shall be responsible for the following activities in relation to the Issue:

<b>Sr. No.</b>	<b>Activity</b>
1.	Capital Structuring with the relative components and formalities such as type of instruments, etc.
2.	Conducting a Due Diligence of the Company's operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus. Ensuring compliance with the SEBI Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI.
3.	Primary co-ordination with SEBI, RoC and the Stock Exchange up to bidding and co-ordinating interface with lawyers for agreements.
4.	Assist the Company in appointment of the Registrars to the Issue, Bankers to the Issue and other intermediaries viz., printers and advertising agency, etc.
5.	Primary co-ordination of drafting / proofing of the design of the Red Herring Prospectus / Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.  Due Diligence of our Company's operations / management / business plans / legal etc. Drafting and designing of the Draft Red Herring Prospectus / Red Herring Prospectus and statutory advertisement including memorandum containing salient features of the Prospectus ensuring the compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange, RoC and SEBI including finalization of Prospectus and RoC filing of the same.
6.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.

7.	Marketing of the Issue, which will cover inter alia: <ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget,</li> <li>Finalizing media &amp; public relations strategy,</li> <li>Finalizing centres for holding conferences for press and brokers etc,</li> <li>Finalizing collection centres,</li> <li>Following-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material,</li> <li>Preparing all road show presentations,</li> <li>Appointment of brokers to the issue, and</li> <li>Appointment of underwriters and entering into underwriting agreement.</li> </ul>
8.	Co-ordinating institutional investor meetings, coordinating pricing decisions and institutional allocation in consultation with the Company.
9.	Finalizing the Prospectus and RoC filing
10.	Co-ordinating post bidding activities including management of Escrow accounts, co-ordinating with registrar and dispatch of refunds to Bidders, etc.
11.	Follow-up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
12.	The Post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates and dematerialized delivery of shares with various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.

### Brokers to the Issue

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

### Credit Rating

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

### IPO Grading

This Issue has been graded by CRISIL Limited, a SEBI-registered credit rating agency, vide their letter dated February 21, 2012 has assigned grading 1/5, indicating poor fundamentals. The IPO grading is assigned on a five point scale from 1 to 5 with an 'IPO Grade 5' indicating strong fundamentals and an 'IPO Grade 1' indicating poor fundamentals. Pursuant to SEBI Regulations, the rationale / description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC. For details in relation to the rationale/ description furnished by the IPO grading agency, see Annexure beginning on page 268.

### Trustees

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

### Appraisal and Monitoring Agency

As per regulation 16 of the SEBI (ICDR) Regulations, 2009, monitoring agency is required to be appointed in case the issue size exceeds ₹ 50,000 Lacs. Since, our proposed issue size will not exceed ₹ 500 Crores, we do not propose to appoint a Monitoring Agency.

However, as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchange upon listing of the Equity Shares and the Corporate Governance Requirements, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the issue.

### Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid / Issue Closing Date.

The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) Book Running Lead Manager, in this case being Ashika Capital Limited;
- (3) Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE / NSE are eligible to act as underwriters, in this case being Ashika Capital Limited and Kunvarji Finstock Pvt. Ltd.;
- (4) Registrar to the Issue, in this case being Cameo Corporate Services Limited;
- (5) Escrow Collection Bank; and
- (6) SCSBs.
- (7) Syndicate ASBA.

This Issue is being made in terms of Regulation 26 (1) of the SEBI ICDR Regulations and through the 100% Book Building process wherein up to 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyer ('QIB') Bidders, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB portion shall be available for allocation on proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

**In accordance with the SEBI (ICDR) Regulations 2009, QIBs are not allowed to withdraw their Bid(s) after the Bid / Issue Closing Date. In addition, QIBs are now required to pay full 100% of the Bid Amount upon submission of the Bid-cum-Application Form during the Bid / Issue Period and allocation to QIBs will be on a proportionate basis. For further details, see section "Terms of the Issue" on page 185 of this Red Herring Prospectus.**

Our Company shall comply with the SEBI (ICDR) Regulations 2009 and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Ashika Capital Limited as the Book Running Lead Manager 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 the 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 ₹ 60/- to ₹ 72/- per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price will be made available at the website 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
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

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., ₹ 66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below ₹ 66. 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 by the Bidders for Bidding

1. Check eligibility for making a Bid (see section titled “Issue Procedure - Who Can Bid?” on page 194 of this Red Herring Prospectus);
2. Ensure that you have a dematerialized account and the dematerialized account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned your PAN (see “Issue Procedure – Bidder’s PAN, Depository Account and Bank Account Details ” on page 206 of this Red Herring Prospectus);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by ASBA bidders will have to be submitted to the Designated Branches of the SCCBs. ASBA bidders should ensure that their bank account have adequate credit balance at the time of submission to the SCCBs to ensure that the Bid cum Application Form is not rejected.
6. Ensure the correctness of your demographic details given in the Bid cum Application Form with the details recorded with your Depository Participant.
7. Bids by QIBs will have to be submitted to the BRLM other than Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.

### Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the

Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also promptly inform the same to Stock Exchange on which the Equity Shares are proposed to be listed.

If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it shall proceed with an initial public offering of its Equity Shares, it shall file a fresh Red Herring Prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approval of BSE, which our Company shall apply for after Allotment and the final RoC approval of the Prospectus after it is filed with the RoC.

#### **Bid/Issue Programme**

<b>BID/ISSUE OPENS ON</b>	March 09, 2012
<b>BID/ISSUE CLOSES ON</b>	March 13, 2012

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bidding / Issue Period as mentioned above at the bidding centers 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 the Stock Exchange. Bids by ASBA Bidders shall be uploaded by the SCSBs / Syndicate ASBA in the electronic system to be provided by BSE. It is clarified that the Bids not uploaded in the book would be rejected.

In case of any 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 the relevant SCSB / Syndicate ASBA for rectified data.

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 on the Bid/Issue Closing Date. All times mentioned in the Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. 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 Members shall not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

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

**Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 issued by BSE, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchange.**

The Price Band will be decided by us in consultation with the BRLM. The announcement of the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate Member(s).

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding / Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price disclosed at least two working days prior to the Bid / Issue Opening Date and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs / Syndicate ASBA and the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members.**

#### **Underwriting Agreement**

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the 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 offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate / Sub-Syndicate. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The book runners and syndicate members shall not subscribe to the Issue in any manner except for fulfilling their underwriting obligations.

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

<b>Name and Address of the Underwriters</b>	<b>Indicated Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten (₹ in Lacs )</b>
<b>Ashika Capital Limited</b> 1008, 10 <sup>th</sup> Floor, Raheja Centre, 214, Nariman Point, Mumbai – 400 021.	[•]	[•]
<b>Kunvarji Finstock Pvt. Ltd.</b> Shyamak Complex, B/h. Kamdhenu Complex, Ambawadi, Ahmedabad – 380 015	[•]	[•]

The above-mentioned amount is indicative and would be finalized after determination of Issue Price and finalization of 'Basis of Allocation'.

The Board of Directors of our Company (based on a certificate given by the Underwriters) hereby declare that the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act. The underwriters will undertake minimum underwriting obligations as specified in the Securities



and Exchange Board of India (Merchant Bankers) Regulations, 1992. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Where hundred percent of the offer through offer document is underwritten, the underwriting obligations shall be for the entire hundred percent of the offer through offer document and shall not be restricted upto the minimum subscription level.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM 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 respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The underwriting agreements mentioned above shall not apply to the subscriptions by the ASBA bidders in this offer.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Red Herring Prospectus, is set forth below:

Particulars	Aggregate Value Nominal Value (₹)	Aggregate Value at Issue Price (₹)
<b>A) AUTHORIZED CAPITAL</b> 1,70,00,000 Equity Shares of ₹ 10/- each	17,00,00,000	
<b>B) ISSUED SUBSCRIBED AND PAID-UP CAPITAL</b> 85,18,900 Equity Shares of ₹ 10/- each	8,51,89,000	
<b>C) PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b> Public Issue of [●] Equity Shares aggregating upto ₹ 2500 Lacs* <i>Of which: #</i> QIB portion of up to [●] Equity Shares of ₹ 10/- each Non Institutional Portion not less than [●] Equity shares of ₹ 10/- each Retail portion of not less than [●] Equity shares of ₹ 10/- each	[●] [●] [●] [●] [●]	[●] [●] [●] [●] [●]
<b>D) PAID-UP EQUITY CAPITAL AFTER THE ISSUE</b> [●] Equity Shares of ₹ 10/- each	[●]	[●]
<b>E) SHARE PREMIUM ACCOUNT</b> Before the Issue After the Issue	- -	83,20,000 [●]

\*The Issue has been authorized by a resolution of our Board dated August 01, 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 27, 2010.

#Under subscription, if any, in any category, 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.

### Changes in the Authorized Share Capital of the Company

Our Company was incorporated on April 21, 1992 with an initial Authorized Capital of ₹ 10,00,000 divided into 10,000 Equity shares of ₹100/- each. The subsequent changes to our authorized capital are stated below:

Date of Resolution	Increased from	Increased to	General Meeting
April 21, 1992	-	10,00,000	At the time of incorporation
January 07, 1997	10,00,000	2,00,00,000	EGM
November 29, 2007	2,00,00,000	6,00,00,000	EGM
April 21, 2008	6,00,00,000	7,00,00,000	EGM
July 23, 2010	7,00,00,000	17,00,00,000	AGM

## Notes to the Capital Structure

### 1. Share Capital History of Our Company

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative Share Capital (₹)	Cumulative Share Premium (₹)
21.04.1992	20	100	100*	Cash	Subscription to the Memorandum.	20	2000	Nil
10.07.1996	9,980	100	100*	Cash	Further Allotment of shares to Promoters / Promoters group.	10,000	10,00,000	Nil
<i>The Face Value of the Equity Shares of our Company were sub-divided from ₹100 each to ₹10 each w.e.f. January 07, 1997.</i>								
07.01.1997	1,00,000	10	Sub-division of Shares			1,00,000	10,00,000	Nil
11.09.1998	13,500	10	10	Cash	Further Allotment of shares to Others.	1,13,500	11,35,000	Nil
29.10.1998	22,600	10	10	Cash	Further Allotment of shares to Others	1,36,100	13,61,000	Nil
06.11.1998	47,500	10	10	Cash	Further Allotment of shares to Others	1,83,600	18,36,000	Nil
16.11.1998	25,600	10	10	Cash	Further Allotment of shares to Others	2,09,200	20,92,000	Nil
11.12.1998	63,100	10	10	Cash	Further Allotment of shares to Others.	2,72,300	27,23,000	Nil
02.01.1999	11,000	10	10	Cash	Further Allotment of shares to Others.	2,83,300	28,33,000	Nil
22.03.1999	33,500	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others. Out of which 20,000 shares were allotted to H. Noor Mohamed.	3,16,800	31,68,000	Nil
22.06.1999	5,500	10	10	Cash	Further Allotment of shares to Others.	3,22,300	32,23,000	Nil
13.12.1999	83,500	10	10	Cash	Further Allotment of shares to Promoters /	4,05,800	40,58,000	Nil

					Promoters group and Others. Out of which 81,000 shares were allotted to H. Noor Mohamed.			
16.03.2000	35,900	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others. Out of which 35,400 shares were allotted to H. Noor Mohamed.	4,41,700	44,17,000	Nil
23.03.2000	10,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group.	4,51,700	45,17,000	Nil
14.04.2000	33,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others. Out of which 29,000 shares were allotted to H. Noor Mohamed.	4,84,700	48,47,000	Nil
25.07.2000	6,15,300	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others. Out of which 6,07,300 shares were allotted to Promoters / Promoters group.	11,00,000	110,00,000	Nil
04.08.2000	3,000	10	10	Cash	Further Allotment of shares to Others.	11,03,000	110,30,000	Nil
19.10.2000	18,100	10	10	Cash	Further Allotment of shares to Others.	11,21,100	112,11,000	Nil
31.10.2000	2,20,000	10	-	Bonus shares in ratio of 1:5	Bonus out of profits	13,41,100	134,11,000	Nil

30.04.2001	1,63,000	10	10	Cash	Further Allotment of shares to Others.	15,04,100	150,41,000	Nil
31.08.2001	45,500	10	10	Cash	Further Allotment of shares to Others.	15,49,600	154,96,000	Nil
01.03.2002	31,000	10	10	Cash	Further Allotment of shares to Others.	15,80,600	158,06,000	Nil
30.06.2002	12,000	10	10	Cash	Further Allotment of shares to Others.	15,92,600	159,26,000	Nil
16.09.2002	12,500	10	10	Cash	Further Allotment of shares to Others.	16,05,100	160,51,000	Nil
16.06.2003	(5,37,124)	10	-	Cash	Buy Back of shares	10,67,976	106,79,760	Nil
05.02.2007	1,12,500	10	10	Cash	Further Allotment of shares to Promoters / Promoters group.	11,80,476	118,04,760	Nil
19.02.2007	1,15,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group.	12,95,476	129,54,760	Nil
25.01.2008	12,95,476	10	-	Bonus shares in ratio of 1:1	Bonus out of profits	25,90,952	259,09,520	Nil
29.03.2008	4,61,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others.	30,51,952	305,19,520	Nil
31.03.2008	29,48,048	10	10	Cash	Further Allotment of shares to Promoters / Promoters group.	60,00,000	600,00,000	Nil
06.01.2009	3,25,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group and Others.	63,25,000	632,50,000	Nil
18.12.2009	20,000	10	10	Cash	Further Allotment of shares to Promoters / Promoters group.	63,45,000	634,50,000	Nil

01.06.2010	2,000	10	50	Cash	Further Allotment of shares to Others.	63,47,000	634,70,000	80,000
30.06.2010	6,000	10	50	Cash	Further Allotment of shares to Promoters / Promoters group and Others.	63,53,000	635,30,000	3,20,000
30.07.2010	2,00,000	10	50	Cash	Further Allotment of shares to Promoters / Promoters group.	65,53,000	655,30,000	83,20,000
28.08.2010	19,65,900	10	-	Bonus shares in ratio of 3:10	Bonus out of profits	85,18,900	851,89,000	83,20,000

**Note:** The Company has bought back 537124 Equity shares on 16.06.2003 representing 33% of the paid up capital. The details of the aforesaid buy back are given as follows:

Sr. No.	Name of the Shareholders from whom the shares were bought back	Number of shares bought back	Price for buy back
1	S. Jarina	2,25,000	10
2	A. Wahida	2,25,000	10
3	H. Salahudeen	87,124	10
	<b>TOTAL</b>	<b>5,37,124</b>	

U/s 77A of the Companies Act, in any financial year, only 25% of the Paid up share capital can be bought back by the Company. The Company has filed an application for compounding of the said violation under Section 621A of the Companies Act, 1956 with RoC, Chennai on November 25, 2010. Consequently, an Order was passed by the Company Law Board on October 17, 2011 wherein a penalty of ₹25,000 was paid by the Company and ₹3,000 was paid by the Managing Director of the Company, Mr. H. Noor Mohamed. As per the said Order, the offences have been compounded.

## 2. Equity Shares allotted for consideration other than cash:

Date of Allotment	Names of Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Benefits accrued to the company
31.10.2000	All Shareholders as on the Record Date 27.07.2010	220,000	10	-	Bonus Issue in the ratio of 1 Equity Share for every 5 equity shares held*	Nil
25.01.2008	All Shareholders as on the Record Date 25.01.2008	12,95,476	10	-	Bonus Issue in the ratio of 1 Equity Share for every 1 equity share held <sup>#</sup>	Nil
28.08.2010	All Shareholders as on the Record Date 28.08.2010	19,65,900	10	-	Bonus Issue in the ratio of 3 Equity Shares for every 10 equity shares held**	Nil

The bonus shares were issued out of free reserves of the company.

\*Pursuant to AGM held on 24.07.2000, our company has issued 220,000 Bonus Shares in the ratio of 1 equity share for every 5 equity shares held to all the Shareholders, by capitalization of the surplus in the profit & loss account.

#Pursuant to EGM held on 29.11.2007, our company has issued 1,295,476 Bonus Shares in the ratio of 1 equity share for every 1 equity share held to all the Shareholders, out of capital redemption reserve, general reserve and profit and loss account.

\*\*Pursuant to EGM held on 27.08.2010, our company has issued 1,965,900 Bonus Shares in the ratio of 3 equity share for every 10 equity shares held to all the Shareholders, out of profit and loss account.

3. No Equity Shares have been issued pursuant to any scheme approved under sections 391 to 394 of the Companies Act, 1956.
4. Our Company has not revalued its assets since inception and we have not issued any shares out of revaluation reserves.
5. 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.
6. Our Company has not allotted Equity Shares during preceding one year from the date of this RHP.
7. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. Additionally, if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures. We may enter into and / or we may raise additional capital to fund accelerated growth, subject to the compliance with the relevant regulations etc.

#### 8. Details of Promoters shareholding Build-up

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

Date of Allotment	Nature of Allotment	Number of Shares	Face Value (₹)	Issue / Transfer Price (₹)	% of Pre-issue capital	% of Post-issue capital
<b>Mr. H. Noor Mohamed</b>						
21.04.1992	Initial Subscription	100	10*	10	0.00	0.00
10.07.1996	Cash	29880	10*	10	0.35	0.18
22.03.1999	Cash	20000	10	10	0.23	0.12
13.12.1999	Cash	81000	10	10	0.95	0.49
31.12.1999	Transfer	10040	10	10	0.12	0.06



16.03.2000	Cash	35400	10	10	0.42	0.21
23.03.2000	Cash	10000	10	10	0.12	0.06
14.04.2000	Cash	29000	10	10	0.34	0.17
25.07.2000	Cash	39000	10	10	0.46	0.23
31.10.2000	Bonus issue	50884	10	-	0.60	0.30
27.01.2001	Transfer	2000	10	10	0.02	0.01
17.07.2002	Transfer	1000	10	10	0.01	0.01
03.01.2003	Transfer	2400	10	10	0.03	0.01
28.02.2003	Transfer	1200	10	10	0.01	0.01
09.01.2004	Transfer	3800	10	10	0.04	0.02
05.10.2004	Transfer	83800	10	10	0.98	0.50
24.12.2004	Transfer	65900	10	10	0.77	0.39
30.12.2004	Transfer	10000	10	10	0.12	0.06
22.02.2005	Transfer	600	10	10	0.01	0.00
17.03.2005	Transfer	2400	10	10	0.03	0.01
29.06.2005	Transfer	32200	10	10	0.38	0.19
16.09.2005	Transfer	1200	10	10	0.01	0.01
28.10.2005	Transfer	500	10	10	0.01	0.00
15.12.2005	Transfer	7100	10	10	0.08	0.04
20.12.2005	Transfer	30000	10	10	0.35	0.18
24.12.2005	Transfer	100000	10	10	1.17	0.60
28.12.2005	Transfer	1200	10	10	0.01	0.01
07.01.2006	Transfer	13200	10	10	0.15	0.08
21.08.2006	Transfer	600	10	10	0.01	0.00
01.09.2006	Transfer	700	10	10	0.01	0.00
03.10.2006	Transfer	600	10	10	0.01	0.00
13.10.2006	Transfer	600	10	10	0.01	0.00
14.10.2006	Transfer	1200	10	10	0.01	0.01
29.10.2006	Transfer	1200	10	10	0.01	0.01
06.12.2006	Transfer	1800	10	10	0.02	0.01
22.01.2007	Transfer	1000	10	10	0.01	0.01
05.02.2007	Cash	97500	10	10	1.14	0.58
19.02.2007	Cash	90000	10	10	1.06	0.54
01.08.2007	Transfer	600	10	10	0.01	0.00
15.10.2007	Transfer	2400	10	10	0.03	0.01
17.10.2007	Transfer	1200	10	10	0.01	0.01
18.10.2007	Transfer	600	10	10	0.01	0.00
23.10.2007	Transfer	1400	10	10	0.02	0.01
27.10.2007	Transfer	1100	10	10	0.01	0.01

31.10.2007	Transfer	16200	10	10	0.19	0.10
01.11.2007	Transfer	600	10	10	0.01	0.00
06.11.2007	Transfer	2400	10	10	0.03	0.01
17.11.2007	Transfer	4900	10	10	0.06	0.03
21.11.2007	Transfer	1700	10	10	0.02	0.01
23.11.2007	Transfer	2200	10	10	0.03	0.01
28.11.2007	Transfer	1200	10	10	0.01	0.01
29.11.2007	Transfer	1200	10	10	0.01	0.01
20.12.2007	Transfer	3000	10	10	0.04	0.02
21.12.2007	Transfer	1200	10	10	0.01	0.01
28.12.2007	Transfer	2000	10	10	0.02	0.01
31.12.2007	Transfer	67900	10	10	0.80	0.41
25.01.2008	Bonus issue	970804	10	-	11.40	5.81
29.03.2008	Cash	355000	10	10	4.17	2.13
31.03.2008	Cash	1181448	10	10	13.87	7.07
06.01.2009	Cash	175000	10	10	2.05	1.05
02.03.2009	Transfer	2000	10	10	0.02	0.01
28.03.2009	Transfer	2400	10	10	0.03	0.01
23.12.2009	Transfer	80000	10	10	0.94	0.48
30.07.2010	Cash	100000	10	50	1.17	0.60
28.08.2010	Bonus issue	1151237	10	-	13.51	6.89
<b>TOTAL</b>		<b>4988693</b>			58.56	29.87

\* These Equity shares were originally issued at a face value of ₹ 100 which was later subdivided into Equity shares of ₹ 10.

Date of Allotment	Nature of Allotment	Number of Shares	Face Value (₹)	Issue / Transfer Price (₹)	% of Pre-issue capital	% of Post-issue capital
<b>Mrs. S. Jarina</b>						
10.07.1996	Cash	5010	*10	10	0.06	0.03
25.07.2000	Cash	263000	10	10	3.09	1.57
31.10.2000	Bonus issue	53602	10	-	0.63	0.32
16.06.2003	Buy back	(225000)	10	10	(2.64)	(1.35)
05.10.2004	Transfer	14000	10	10	0.16	0.08
25.01.2008	Bonus issue	110612	10	-	1.30	0.66
29.03.2008	Cash	45000	10	10	0.53	0.27
31.03.2008	Cash	324000	10	10	3.80	1.94
06.01.2009	Cash	20000	10	10	0.23	0.12

28.08.2010	Bonus issue	183067	10	-	2.15	1.10
<b>TOTAL</b>		<b>793291</b>			9.31	4.75

\* These Equity shares were originally issued at a face value of ₹ 100 which were later subdivided into Equity shares of ₹ 10.

**None of the Equity Shares held by our promoters have been pledged with any scheduled commercial bank or public financial institution as collateral security for any loan granted by such bank or institution, or creditor / lender.**

9. 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.
10. There are no financing arrangements, directly or indirectly, whereby the Promoters, their relatives, their group companies or associates, Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase of Equity Shares of our company by any other person during the period of six months immediately preceding the date of this Red Herring Prospectus.

#### 11. Promoters' Contribution and lock in period

Pursuant to SEBI Regulations, an aggregate of 20% of the post-issue shareholding of Promoters shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the public issue, whichever is later. The details of such lock-in are given below:

Name of the Promoter	Date of Allotment / Transfer	Consideration	Number of Shares	Face Value (₹)	Issue / Transfer Price (₹)	% of Lock in
Mr. H. Noor Mohamed (a)	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (a)</b>			[•]	[•]	[•]	[•]
Mrs. S. Jarina (b)	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total (b)</b>			[•]	[•]	[•]	[•]
<b>Grand Total (a) + (b)</b>			[•]	[•]	[•]	<b>20.00%</b>

**Note:** 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. 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 Draft Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Red Herring Prospectus.

None of the securities held by promoters Mr. H. Noor Mohamed and Mrs. Jarina, are ineligible for calculation of minimum promoters' contribution and lock in as per the conditions specified in regulation 33(1) of the SEBI (ICDR) Regulations, 2009.

### Equity Shares locked in for one year

In addition to 20 % of Post Issue shareholding of our Company held by the promoters and locked in for 3 years as specified above, the entire pre issue share capital of our Company will be locked in for a period of 1 year from the date of allotment in this issue.

**Note: The Equity Shares that are being locked-in are eligible for computation of Promoter's contribution under Regulation 33(1) of the SEBI (ICDR) Regulations and are being locked-in under Regulation 36 of the SEBI (ICDR) Regulations.**

Our Promoters have, by a written undertaking dated September 24, 2011, given consent to include such number of Equity Shares held by them, as may constitute 20% of post-issue equity share capital of our Company, as determined after the book-building process, to be considered towards Promoters' contribution and locked-in for a period of three years from the date of Allotment ('Promoters' Contribution').

The Promoters have pursuant to their undertaking dated September 24, 2011, agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Red Herring Prospectus until the commencement of the lock-in period specified above.

12. The Promoters' Contribution has been brought in to the extent of not less than the specified minimum amount and from persons defined as promoters under the SEBI Regulations. All Equity Shares which are to be locked-in as Promoters' Contribution are eligible for computation of promoters' contribution in accordance with the SEBI Regulations. In relation to this, we confirm:

The Equity Shares to be considered as the Promoters' Contribution:

- a) have not been acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets and have not been issued against shares, which are otherwise ineligible for promoters' contribution;
  - b) are not acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealized profits of the Issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
  - c) are not subject to any pledge or any other encumbrance; and
  - d) are not arising out of securities acquired during the preceding year, at a price lower than the Issue Price.
  - e) Have not been made by private placement made by solicitation of subscription from unrelated persons either directly or indirectly through an intermediary.
  - f) Are not issued to our Promoters on conversion of partnership firms into limited company.
  - g) Have 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.
  - h) 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.
13. In terms of Regulation 39 of SEBI (ICDR) Regulations, 2009, Equity Shares held by the Promoters and locked in can be pledged only with scheduled commercial banks or public financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, Equity Shares locked in as minimum promoters'

contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue.

14. In terms of Regulation 40 of SEBI (ICDR) Regulations 2009, subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the specified securities held by promoters and locked-in as per regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the specified securities held by persons other than promoters and locked-in as per Regulation 37 may be transferred to any other person holding the specified securities which are locked-in along with the securities proposed to be transferred: Provided that lock-in on such specified securities shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

15. The Pre-Issue & Post-Issue shareholding pattern of our Company is as under:

Category of Shareholder	Pre- Issue			Post-Issue		Shares Pledged or otherwise encumbered	
	No. of Shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>A. Shareholding of Promoter and Promoter Group</b>							
<b>1. Indian</b>							
Individuals/ Hindu Undivided Family	8	80,37,224	94.35	80,37,224	[●]	-	-
Central Government/ State Government(s)	0	0	0	0	0	-	-
Body Corporate	0	0	0	0	0	-	-
Financial Institutions/ Banks	0	0	0	0	0	-	-
Any Others	0	0	0	0	[●]	-	-
<b>Sub Total(A)(1)</b>	<b>8</b>	<b>80,37,224</b>	<b>94.35</b>	<b>80,37,224</b>	<b>[●]</b>	-	-
<b>2. Foreign</b>						-	-
Individuals (Non-Residents)	0	0	0	0	0	-	-
Individuals/Foreign Individuals)							
Bodies Corporate	0	0	0	0	0	-	-
Institutions	0	0	0	0	0	-	-
Any Others(Specify)	0	0	0	0	0	-	-
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-	-
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>8</b>	<b>80,37,224</b>	<b>94.35</b>	<b>80,37,224</b>	<b>[●]</b>	-	-
<b>B. Public shareholding</b>						-	-

<b>1. Institutions</b>						-	-
Mutual Funds/ UTI	0	0	0	[●]	[●]	-	-
Financial Institutions / Banks	0	0	0	[●]	[●]	-	-
Central Government/ State Government(s)	0	0	0	[●]	[●]	-	-
Venture Capital Funds	0	0	0	[●]	[●]	-	-
Insurance Companies	0	0	0	[●]	[●]	-	-
Foreign Institutional Investors	0	0	0	[●]	[●]	-	-
Foreign Venture Capital Investors	0	0	0	[●]	[●]	-	-
Any Other (specify)	0	0	0	[●]	[●]	-	-
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>[●]</b>	<b>[●]</b>	-	-
<b>2. Non-institutions</b>						-	-
Bodies Corporate	1	7,800	0.09	[●]	[●]	-	-
Individuals (Retail Public)	-	-	-	[●]	[●]	-	-
i. Individual shareholders holding nominal share capital up to Rs 1 lac	104	2,48,456	2.92	[●]	[●]	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	7	2,24,120	2.63	[●]	[●]	-	-
Any Other (N. A. Ameer Ali - Independent Director)	1	1,300	0.01	1300	[●]	-	-
<b>Sub-Total (B)(2)</b>	<b>113</b>	<b>4,81,676</b>	<b>5.65</b>	<b>[●]</b>	<b>[●]</b>	-	-
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>113</b>	<b>4,81,676</b>	<b>5.65</b>	<b>[●]</b>	<b>[●]</b>	-	-
<b>TOTAL (A)+(B)</b>	<b>121</b>	<b>85,18,900</b>	<b>100.00</b>	<b>[●]</b>	<b>[●]</b>	-	-
<b>C. Shares held by custodians and against which Depository Receipts have been issued</b>	0	0	0	[●]	[●]	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>121</b>	<b>85,18,900</b>	<b>100.00</b>	<b>[●]</b>	<b>100.00</b>	-	-

## 16. Top Ten Shareholders

The particulars of top ten shareholders of the Company and the number of Equity Shares held by them are as under:

### i. Top ten shareholders as on the date of filing this RHP

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	H. Noor Mohamed	4988693	58.56
2	N. Mohamed Faizal	820170	9.63
3	S. Jarina	793291	9.31
4	N. Mohamed Iqbal	546390	6.41
5	Dr. N. Mohamed Saleem	438360	5.15
6	N. Mohamed Rizwan	438360	5.15
7	S. Mohamed Yousuf Maricar	52520	0.62
8	Mehar Nisa	52000	0.61
9	A. Mohamed Ali	28600	0.34
10	R. Karunanidhi	26000	0.31
11	Mehar Nisa Nistar B	26000	0.31
	<b>TOTAL</b>	<b>8210384</b>	<b>96.38</b>

### ii. Top ten shareholders as on 10 days prior to the date of filing this RHP

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	H. Noor Mohamed	4988693	58.56
2	N. Mohamed Faizal	820170	9.63
3	S. Jarina	793291	9.31
4	N. Mohamed Iqbal	546390	6.41
5	Dr. N. Mohamed Saleem	438360	5.15
6	N. Mohamed Rizwan	438360	5.15
7	S. Mohamed Yousuf Maricar	52520	0.62
8	Mehar Nisa	52000	0.92
9	A Mohamed Ali	28600	0.34
10	R. Karunanidhi	26000	0.31
11	Mehar Nisa Nistar B	26000	0.31
	<b>TOTAL</b>	<b>8210384</b>	<b>96.38</b>

### iii. Top ten shareholders as of 2 years prior to the date of filing this RHP

Sr. No.	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	H. Noor Mohamed	3737456	58.90
2	S. Jarina	610224	9.62
3	N. Mohamed Faizal	580900	9.16
4	N. Mohamed Iqbal	370300	5.84
5	Dr. N. Mohamed Saleem	337200	5.31
6	N. Mohamed Rizwan	337200	5.31



7	Mehar Nisa	60000	0.95
8	S. Mohamed Yousuf	40400	0.64
9	Mohamed Ali	20000	0.32
10	A. Julaika Nachiar	20000	0.32
	<b>TOTAL</b>	<b>6113680</b>	<b>96.35</b>

17. Our Company, our Promoters, our Directors, our Promoter Group and the Book Running Lead Manager have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
18. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid-up capital after the Issue would also increase by the excess amount of allotment so made. The number of Equity Shares proposed to be locked-in as part of the Promoters' Contribution will be determined after finalization of Issue Price.
19. 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 shares only.
20. The securities 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 be provided to the Stock Exchange where the shares are to be listed, before listing of the securities.
21. In case of over-subscription in all categories, upto 50% of the 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, and the remaining QIB Portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
22. Under-subscription, if any, in the Qualified Institutional Buyers category, Non-Institutional Category and Retail Individual category would be met with spill-over from any other categories at the sole discretion of our Company in consultation with the BRLM. If the aggregate demand by Mutual Funds is less than 5% of QIB portion, the balance shares available for allocation in the Mutual Fund Portion will be added to the QIB portion and be allocated proportionately to QIB bidders.
23. Our Company has not raised any bridge loan against the proceeds of the Issue.
24. As of the date of this RHP, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoters or Shareholders, or any other person any option to receive Equity Shares after the offering.
25. 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 to be issued through the Prospectus are listed or application moneys refunded.

26. 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.
27. No single applicant can make an application for number of shares, which exceeds the number of shares offered, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
28. The total number of members of our Company as on the date of filing RHP is 121.
29. Our promoters and promoters group will not participate in this issue.
30. As on date of filing of this Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up and there are no partly paid-up shares as on date.
31. 4.46% of the pre-issue paid-up capital of the Issuer Company is held in physical form. Further, the total shareholding of Promoters and Promoter Group is held in dematerialized form.
32. As the entire money is being called on application, all the successful applicants will be issued fully paid up shares.
33. We confirm that our BRLM, Ashika Capital Limited, does not hold any shares in our Company.
34. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this issue.

## SECTION IV - PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The objects of the Issue are to finance:

- Setting up of a new manufacturing unit near Chennai.
- Capital Expenditure for establishing 4 own retail outlets of the Company
- Meet Issue Expenses.

The main objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE.

The main object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue.

### Use of Issue Proceeds

The details of the utilization of proceeds of this Issue are summarized in the following table:

Particulars	Amount (Rs in Lacs)
Setting up of a new manufacturing unit near Chennai	1982.50
Capital Expenditure for establishing 4 own retail outlets of the Company	316.00
Issue Expenses	[•]
<b>Total</b>	<b>2500.00</b>

The fund requirements are based on management estimates and quotations received from the third parties and have not been appraised by any bank or financial institution or any other independent agency.

### Means of Finance

The above-mentioned fund requirement will be met entirely from the proceeds of the Issue and shortfall, if any, will be met from internal accruals of the Company.

As on date, there is no bridge loan or other financial arrangement which may be repaid from the proceeds of the issue.

Since the fund requirement will be met entirely from the proceeds of the issue, there is no requirement for any other firm arrangements of finance. Accordingly, regulation 4(2)(g) of the SEBI Regulations for the finance through verifiable means towards 75% of the stated means of finance (excluding the amount to be raised through the proposed Public Issue and existing identifiable internal accruals) does not apply to us.

Our plans are subject to a number of variables, including possible cost overrun, receipt of government approvals, and changes in management views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the objects set forth above, increased fund requirement for a particular object may be met with by surplus funds, if any, available in respect of the other object

for which the funds are being raised in the Issue, subject to applicable law, and / or our Company's internal accruals, and / or the term loans / working capital loans that may be availed from the Banks / Financial Institutions. In the event of any shortfall in the Issue proceeds, the requirement shall be satisfied from internal accruals. If the actual utilization towards any of the aforesaid objectives is lower than what is stated above, such balance will be used for future growth opportunities. The internal accruals of our Company as on December 31, 2011 stand at ₹ 395.84 Lacs.

In case the Public Issue does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and / or utilizing internal accruals.

### Appraisal Report

The project for which the Issue proceeds will be utilised has not been appraised by any financial institution / bank.

### Details of the Objects of the Issue

#### A. Setting up of a new manufacturing unit near Chennai

Presently, we manufacture our products from our factory at Vyasarpadi in Chennai. As a part of our expansion plans, we propose to set up a new factory at Kannigaiper, District Thiruvallur, Tamilnadu, around 100 km from Chennai. We have already purchased a land admeasuring 5.65 Acres at No. 521 and 522 , Patta No. 510 of No. 90 , Kannigaiper village, Uthukottai Taluk, Thiruvallur District, amounting to ₹ 211.87 Lacs vide agreement dated 26<sup>th</sup> May, 2010 from Mr. A. Devaraj. Mr. A. Devaraj does not have any relationship either with any of the promoters or with the directors of our Company. The said land is registered in the name of our Company and the site development work has already been completed on this land.

We have earmarked ₹ 1975.50 Lacs towards setting up of new unit at this site and the break-up of the cost is mentioned hereunder:-

Sr. No.	Particulars	Estimated Amount (₹ in Lacs)
1.	Building Construction	990.00
2.	Plant & Machinery	932.00
3.	Furniture & Fixtures	24.00
4.	Computers & Accessories	36.50
<b>Total</b>		<b>1982.50</b>

#### Building Construction

Based on the estimates we received from M/s Mega Builder, an Architect, having their offices at K. K. Plaza, New No. 36, Old No. 54, Mannady Street, 2<sup>nd</sup> Floor, Chennai – 600 001, an amount of ₹ 990.00 Lacs would be spent on construction, infrastructure, etc. The complete details are as follows:

Sr. No.	Particulars	Area	Rate / sft or rft	Amount (₹ in Lacs)
1.	R.C.C. roof building for the office, staff locker room, kitchen, dining, ladies toilet, gent's toilet, security room, meter	22,440 sft	₹ 1350/- sft	302.94

	room, generator room and scrabs room including foundation and other works complete.			
2.	Galvalum colour coated sheet with 0.4 mm thick roofing sheet inclusive of all fabrication and other works completed. Inclusive of all foundation and all other formings.	71,784 sft	₹ 780/- sft	559.92
3.	Road forming work:- Road forming with 12 inches thick pit sand filling 6" sans filling and 3" thick paving block inclusive of all retaining walls and other finishing work completed.	80,756.00 sft	₹ 110/- sft	88.83
4.	Compound wall work done with 7'0" height inclusive of all foundation, plinth beam, 9" thick brick wall, plastering with C:M 1:5 and 2 coats of white. And colour washing	2386.75 rft	₹ 1600/- rft	38.19
<b>Total</b>				<b>989.87</b>
<b>Rounded off</b>				<b>990.00</b>

**We have not yet entered into any contract for the above building construction.**

#### **Plant and Machinery**

Based on the estimates we received from various machine vendors, an amount of ₹ 925.00 Lacs would be spent on acquiring / importing of the plant and machinery given hereunder:-.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Quotation Date</b>	<b>Validity of quotation</b>	<b>Vendor/Supplier</b>	<b>Country of Origin</b>	<b>Qty</b>	<b>Amount (₹ in Lacs)</b>
1	Heidelberg Speedmaster CD 102 – Preset Five - Colour Offset Printing Press with coating system, 72X102 cm, Model CD 102 – 5+L SE Drupa 2008 generation	January 27, 2012	120-150 days	Heidelberg India Pvt. Ltd.	Germany	1	645.83 *
2	Suprasetter A105Thermal CTP with workflow software and offline Processor	January 27, 2012	90 days	Heidelberg India Pvt. Ltd.	Germany	1	81.36 *
3	Automatic Foil Stamping with Die cutting (Foil Feeding from both Longitudinal &	January 27, 2012	90 days	Suba Solutions Pvt. Ltd.	Hong Kong	1	140.36**

	Transversal Directions) BRAUSSE 1050FCA						
4	Economic Folding - Gluing Machine - Modulo	January 27, 2012	90 days	Suba Solutions Pvt. Ltd.	Italy	1	29.94*
5	CF - 510 Envelope Making Machine	January 27, 2012	90 days	Redlands Machinery Pvt. Ltd.	India	1	25.00
	<b>Sub Total</b>						<b>922.49</b>
	Add: Incidental Charges						9.22
	<b>Grand Total</b>						<b>931.71</b>
	<b>Rounded off</b>						<b>932.00</b>

**Conversion Rates****\*1 Euro = ₹ 65.09****\*\*1 USD = ₹ 49.25**

Note: None of the vendors / suppliers mentioned above are related to our promoters, promoter group or any of our group entities.

The above incidental charges include expenses to be incurred towards local freight and Installation & Commissioning Charges.

We have considered the above quotations for the budgetary estimates and have not placed orders for any of the above plant and machinery. The actual cost of procurement and actual supplier may vary. We do not intend to purchase any second hand machinery.

**Furniture & Fixtures**

Based on the estimates dated January 25, 2012 received from the vendor, M/s Dream Homes having office at Old 85/ New 169, Prakasam High Road, 1<sup>st</sup> Floor, Broadway, Chennai – 600 108, an amount of ₹ 24.00 Lacs will be spent on the interiors and installation of furniture and fixtures at the new premises. The validity of the said quotation is for a period of 90 days.

Note: M/s Dream Homes is not related to our promoters, promoter group or any of our group entities.

**Computer & Accessories**

Based on the estimates dated August 30, 2011 received from the vendor, Web Networks Madras Private Limited having office at No. 4/68, Pachiappa College Hostel Road, Chetpet, Chennai – 600 031, an amount of ₹ 36.50 Lacs will be spent on acquiring computers and other related accessories.

**(₹ in Lacs)**

Sr. No.	Particulars	Quantity	Amount
1	HP Proliant DL 380 G6	1	5.69
2	HP Rack	1 Kit	0.98
	Part No: 358254-B21	5	1.95
	HP 5642 Rack Unassembled with accessories		

	HP ProBook 4410s WF007PA#ACJ (Merlot Red)		
3	HP Procurve 2410G 24 Port Gigabyte Ethernet Switch	2	0.70
4	HP 5200N A3 Network LaserJet Printer	3	2.72
5	Mikro Power 10 KVA On-Line UPS With Maintenance Free Batteries, with 2 Hours Battery Back	1	1.98
6	Intel Core i 5 Desktop & Accessories	47	17.34
7	Windows 7 Professional Std Single OLPNL	40	4.22
8	Media Kit Win 7 Professional	1	0.019
9	Symantech End Point Anti Virus Scanner	50	0.55
<b>Sub Total</b>			<b>36.14</b>
Add: Incidental Charges			0.36
<b>Grand Total</b>			<b>36.50</b>

The above incidental charges include expenses to be incurred towards local freight and Installation Charges.

Note: Web Networks Madras Private Limited is not related to our promoters, promoter group or any of our group entities.

#### B. Capital Expenditure for establishing 4 own retail outlets of the Company

Presently, we are operating through direct outlets located at various places across Tamil Nadu. We have 6 own retail outlets out of which 5 are located in Chennai. As part of our expansion plans, we intend to set up additional 4 direct retail outlets in the city of Chennai in order to have a wider reach to public. We are operating through 5 franchisee outlets as well and intend to set up few more franchisee outlets so that there is more equitable distribution of our outlets across the country. Though, we have finalized the locations for the proposed direct retail outlets at places within Chennai and at locations nearby Chennai but have not entered into any lease agreement with the property owners. All these retail outlets shall operate under our brand name "Olympic". As per the estimates received from M/s Build Arch of 40/6, No. 3, Shakthi Apartments, 1<sup>st</sup> Floor, Rameshwaram Road, T. Nagar, Chennai - 600 017, an amount of ₹ 316.00 Lacs would be spent on the opening of the aforesaid 4 direct retail outlets. Further, no second hand equipment / instruments are proposed to be purchased for the above offices. Details of location and estimates for retail outlets are as under:

(₹ in Lacs)		
Sr. No.	Location of the proposed retail outlets	Estimate for Interior Work
1	Ambattur, Chennai	77.21
2	Anna Nagar, Chennai	91.75
3	Tondiarpet, Chennai	66.16
4	Valasaravakkam, Chennai	80.94
	<b>Total</b>	<b>316.06</b>
	<b>Rounded off</b>	<b>316.00</b>

#### C. Public Issue Expenses

The expenses for the issue include among others, fees payable to the lead manager, selling commissions, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees payable to the Stock Exchange. The estimated issue expenses are as follows:

(₹ in Lacs)

Activity	Estimated Expenses	As a % of total estimated Issue expenses	As a % of total Issue size
Listing Fees & expenses of SEBI	[•]	[•]	[•]
Fees payable to the Book Running Lead Manager	[•]	[•]	[•]
Fees payable to the Registrar to the Issue	[•]	[•]	[•]
Underwriting and selling commission	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Commission to SCSBs and Syndicate Members	[•]	[•]	[•]
IPO Grading expenses	[•]	[•]	[•]
Others (legal fees, printing and stationery expenses, etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

All the expenses relating to the issue would be borne by the Company.

#### Schedule of Implementation and Deployment of Funds

The major activities in the implementation of the project have been listed and the average time for implementation of the project is estimated in the table below:

Sr. No.	Activities	Commencement	Completion
<b>Setting up of new factory near Chennai</b>			
1	Land and Site Development	Already Completed	
2	Building Construction	March 2012	January 2013
3	Plant & Machinery	October 2012	January 2013
4	Furniture & Fixtures	November 2012	January 2013
5	Computers & Accessories	December 2012	January 2013
<b>Capital Expenditure for establishing 4 own retail outlets of the Company</b>			
1	Interior Designing	October 2012	December 2012

#### Year Wise Break-up of Funds

(₹ in Lacs)

Sr. No.	Activities	Upto March 2012	April 2012-March 2013	Total Amount
<b>A.</b>	<b>Setting up of new factory at Chennai</b>			
	Building Construction	200.00	790.00	990.00
	Plant & Machinery	-	925.00	925.00
	Furniture & Fixtures	-	24.00	24.00
	Computers & Accessories	-	36.50	36.50
	<b>Sub Total (A)</b>	<b>200.00</b>	<b>175.50</b>	<b>1975.50</b>
<b>B.</b>	<b>Capital Expenditure for establishing 4 own retail outlets of the Company</b>			
	Interior Designing	-	316.00	316.00
	<b>Sub Total (B)</b>	<b>-</b>	<b>316.00</b>	<b>316.00</b>



C.	Issue Expenses (C)	[•]	[•]	[•]
	Total (A+B+C)	[•]	[•]	[•]

### Interim use of funds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in quality interest bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration and other interest bearing securities as may be approved by the Board of Directors or a Committee thereof.

### Monitoring of Utilisation of Funds

Proposed size of the Issue is upto ₹ 2500.00 Lacs i.e. less than ₹ 50,000.00 Lacs. Therefore, in terms of the SEBI (ICDR) Regulations, 2009, appointment of a Monitoring Agency for the purpose of this Issue is not mandatory and hence, no Monitoring Agency is being appointed for this Issue.

As required under the listing agreement with the Stock Exchange, the Audit Committee appointed by our Board of Directors will be monitoring the utilisation of the Issue Proceeds. We will disclose the utilisation of the Proceeds, including interim use of funds under a separate head in our quarterly financial disclosures and annual audited financial statements until the issue proceeds remain unutilised, to the extent required under the applicable law and regulation. In connection with the utilization of the proceeds of the issue, the Company shall comply with the requirements of the listing agreement with the Stock Exchange, including clauses 43A and 49 of the listing agreement as amended from time to time.

No part of the issue proceeds will be paid by the Company as consideration to the Promoters, members of the Promoter Group, Directors or any of the key managerial personnel of the Company.

## BASIC TERMS OF THE ISSUE

The Equity shares being offered are subject to the provision of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association of the Company, the terms of this offer document, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the Allotment advice and other documents /certificates that may be executed in respect of the issue. The Equity shares shall also be subjected 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, Government of India, RBI, ROC and /or other authorities as in force on the date of issue and to the extent applicable.

### Terms of Payment

Applications should be for a minimum of 200 equity shares and 200 equity shares thereafter. The entire price of the equity shares of ₹ [•] per share (₹ 10/- face value + ₹ [•] 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.

### Authority for the Issue

The issue of Equity Shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on August 01, 2010. The shareholders of our Company authorized and approved this Issue under section 81(1A) of the Act by a Special Resolution in the Extra-ordinary General Meeting of the Company held on August 27, 2010.

### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 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.

### Face Value and Issue Price per Share

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

### 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 Guidelines, 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 200 Equity Shares to the successful bidders.

### **Minimum Subscription**

If we do not receive the minimum subscription of 90% of the Issue to the Public including devolvment of the Underwriter, if any, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we and every Director of our Company who is an officer in default, shall pay the amount with interest as 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.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the Risk Factors starting from page no xii and the details about our Company and its financial statements included in this RHP on page no 127. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.*

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

### Qualitative Factors

- Skilled and well experienced Promoters
- Long standing relationship with customers
- Strong brand
- Consistency in maintaining quality and timely delivery

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections “Business Overview” and “Risk Factors” beginning on pages 71 and xii respectively.

### Quantitative Factors

The factors presented in this section are derived from our Company’s restated, consolidated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Weighted average Earnings Per Equity Share

Year ended	EPS (₹)	Weight
March 31, 2009	0.98	1
March 31, 2010	1.57	2
March 31, 2011	2.59	3
<b>Weighted average EPS</b>	<b>1.98</b>	
Nine months period ended December 31, 2011*	<b>2.27</b>	

\*Not Annualised

#### Notes:

1. EPS represents adjusted earnings per share calculated as per Accounting Standard 20 issued by Institute of Chartered Accountants of India.
2. The figures which are disclosed above are based on the restated financial information of the company.
3. The weighted average number of Equity shares is the number of Equity Shares outstanding at the beginning of the year, adjusted by the number of Equity share issued during the year multiplied by the time-weighting factor. The time-weighting factor is number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

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

Particulars	Issue Price of ₹ [•] per share
Based on March 31, 2011 EPS of ₹ 2.59	₹ [•]
Based on weighted average EPS of ₹ 1.98	₹ [•]

**Industry P/E**

Particulars	P/E
Highest	14.8
Lowest	5.2
Industry Composite	10.6

Source: Capital Market, Vol., XXVI/25, February 06 – 19, 2012; Industry - Printing & Stationery

**3. Return on Net worth**

Year Ended	RONW (%)	Weight
March 31, 2009	10.66	1
March 31, 2010	15.66	2
March 31, 2011	19.81	3
<b>Weighted Average RONW</b>	<b>16.90</b>	
Nine months period ended December 31, 2011	15.50	

The average return on net worth has been computed on the basis of the restated profits and loss statement of the respective years. The RONW has been computed by dividing Profit after Tax by Net worth.

**4. Minimum return on total Net worth after issue needed to maintain pre-issue EPS of ₹ 2.59 for the year ended March 31, 2011 is [•] % (Based on the restated financial statements)****5. Net Asset Value (NAV) per share (₹) as per our restated financial information**

a) As on March 31, 2011	₹ 12.96
b) Pre Issue as on December 31, 2011	14.65
c) Issue Price*	[•]
d) Post Issue	[•]

\* Would be finalised after discovery of the Issue Price through Book building Process

**6. Comparison with Industry Peers and Industry average**

Name	FV (₹)	EPS (₹)	RONW (%)	NAV (₹)	P/E
Archies Limited	2	3.2	11.8	28.8	9.4
Sundaram Multi Pap Limited	1	1.2	8.5	14.7	-
Olympic Cards Limited	10	2.59	19.81	12.96	[•]

Source: Capital Market, Vol., XXVI/25, February 06 – 19, 2012; Industry - Printing & Stationery

Note:

The necessary financial ratios are considered on standalone basis and have been drawn from Capital Market journal. The consistency in the basis / methodology of computation of financial ratios of the Company and its peer group has been maintained.

**7. The face value of our Equity Shares is ₹ 10/- and the Issue Price is ₹ [●] i.e., [●] times of the face value.**

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors. The BRLM believe that the Offer Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “**Risk Factors**” and “**Restated Financial Information**” on page xii and 127 respectively, to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in “**Risk Factors**” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

To

The Board of Directors  
**Olympic Cards Limited,**  
No.195, N S C Bose Road,  
Chennai – 600 001.

### **Sub: Statement of possible tax benefits available to the company and its shareholders**

Dear Sirs,

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

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

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

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

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

**Place: CHENNAI**

**Date: SEPTEMBER 24, 2011**

**for C.S. HARIHARAN & CO.,  
CHARTERED ACCOUNTANTS  
Firm Reg No: 01086S**

**(C.S. HARIHARAN)  
Partner  
M. No.: 216277**

## **STATEMENT OF TAX BENEFITS AVAILABLE TO OLYMPIC CARDS LIMITED. (THE COMPANY") AND ITS SHAREHOLDERS**

### **Exemption of Capital Gain Tax to Offer for Sale Shareholders:**

1. Under section 10(38) of the Act, Long term capital gains arising on eligible equity share in a company sold through a recognized stock exchange in India will be exempt from tax.
2. As the proceeds of offer for sale of all the shareholders will be sold through the recognized stock exchange, they will be exempt from long term capital gains tax from the proceeds of the sale.

### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available to the company.

### **General tax benefits available to the Company**

#### **DIVIDENDS EXEMPT UNDER SECTION 10(34)**

Under section 10(34) of the act, the Company will be eligible for exemption of income by way of dividend from any domestic company referred to in section 115-O of the Act.

#### **INCOME FROM UNITS OF MUTUAL FUNDS EXEMPT UNDER SECTION 10(35):**

The company will be eligible for exemption of income received from units of mutual funds specified under section 10(23D) of the Act, income received in respect of units from the administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10(35) of the Act.

### **COMPUTATION OF CAPITAL GAINS:**

Capital assets may be categorized in to short term capital assets and long term capital assets based on the period of holding shares in a Company, listed securities or units of Unit Trust of India or unit of Mutual Fund specified under section 10(23D) or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "Short Term Capital Gains".

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

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and educational cess). However, as per the provision to section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units (whether listed or unlisted) or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).



As per the provisions of section 111A of the Act, short term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction Tax ("STT") shall be subject to tax rate of 15 percent (plus applicable surcharge and education cess).

#### **EXEMPTION OF CAPITAL GAIN FROM INCOME TAX**

1. Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT. However, such income shall be taken into account in computing the book profit tax payable under section 115JB.
2. According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money with a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Investments so made u/s. 54EC on or after 01-04-2007 by an assessee during any financial year shall not exceed ₹ 50,00,000/-.

#### **OTHER SPECIFIED DEDUCTIONS:**

Subject to the fulfillment conditions, besides General Deduction mentioned under section 37 of the Income Tax Act, 1961 the company will be eligible, inter-alia, for the following specified deductions in computing its business income:-

Section 35(1) (i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the company.

Section 35(1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or statistical research to the extent of a sum equal to one and one fourth times the sum so paid.

Subject to compliance with certain conditions laid down in section 32 of the Act, the company will be entitled to deduction for depreciation:

Depreciation shall be allowed:

- (a) In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1<sup>st</sup> day of April, 1998) at the rate prescribed under the Income-tax rules, 1962;
- (b) In respect of any new machinery or plant which has been acquired and installed after 31<sup>st</sup> March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

Under section 36(1)(i) of the Act, A deduction is available to the Company for any premium paid in respect of insurance against risk of damage, or destruction of stocks or stores, used for the purpose of business.

Under section 36(1) (ib) of the Act, a deduction is available to the Company in respect of any premium paid to keep in force an insurance on the health of the employees.

Under section 36(1)(ii) of the Act, Bonus or commission paid to employees is eligible for deduction to the Company.

Under section 36(1)(iv), 36(1)(v), 36(1)(va), a deduction is available to the Company for any sum contributed in Recognized Provident Fund, Approved Gratuity Fund and other staff welfare scheme and any sum received by the company from its employees in respect of amounts specified in section 2(24)(x) of the Income Tax Act provided that the same is remitted to appropriated authorities within the stipulated time.

Any bonafide expenditure incurred by the company for the purpose of promoting family planning among its employees is allowable as deduction. If however, such expenditure is of a capital nature, one-fifth of such expenditure is allowable as deduction for the previous year in which it was incurred and the balance is deductible in equal installments in the next four years u/s.36(1)(ix) of the Act.

Under section 80G of the Act, deduction is available to the Company for any sum of paid as Donation to certain fund, Charitable Institution @ 50% and 100% at the case may be, subject to Net Qualifying Amount.

## **BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS**

### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available in the case of Resident Share holders.

### **DIVIDENDS EXEMPT UNDER SECTION 10(34):**

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.

### **COMPUTATION OF CAPITAL GAINS:**

Capital assets may be categorized into short term capital assets and long term capital based on the period of holding. Share in a company, listed securities or units of UTI or unit of Mutual Fund specified under section 10(23D) of the Act or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

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

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

As per the provisions of section 111 A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge and education cess).

### **EXEMPTION OF CAPITAL GAIN FROM INCOME TAX:**

1. Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

2. According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Investments so made u/s.54EC on or after 01-04-2007 by an assessee during any financial year shall not exceed ₹ 50,00,000/-.

3. According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family (“HUF”), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax in the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer, provided the said assessee does not own more than one residential house other than the new asset on the date of transfer of the original asset so sold.

#### **BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)**

##### **DIVIDENDS EXEMPT UNDER SECTION 10(34):**

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.

##### **COMPUTATION OF CAPITAL GAINS:**

Capital assets may be categorized in to short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or units of mutual fund specified under section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months.

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

According to the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost. According to the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provision of section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharges and education cess).

As per the provisions of section 111A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge and education cess).

**Options available under the Act:**

**Where shares have been subscribed to in convertible foreign exchange-**

*Option of taxation under chapter XII-A of the Act:*

Non-resident Indians (as defined in section 115C(e) of the Act), being shareholders of an Indian company, have the option of being governed by the provisions of chapter XII-A of the Act, which inter-alia entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset.

If a part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of Capital Gains Tax exempted earlier would become chargeable to tax as Long Term Capital Gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of Section 115 G of the Act, non-resident Indians are not obliged to file a Return of Income under Section 139(1) of the Act, if their source of income is only investment income and / or Long Term Capital Gains defined in Section 115 C of the Act, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

Under Section 115 H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his Return of Income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub-clause (ii), (iii), (iv) and (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of section 115-I of the Act, non-resident may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

### **Exemption of capital gains from income tax**

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money with a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available in the case of Non-Resident Indian Shareholders.

### **BENEFITS AVAILABLE TO OTHER NON-RESIDENT SHARE HOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):**

#### **Dividends exempt under section 10(34)**

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 in the hands of the shareholders.

### **Computation of Capital gains**

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or units of mutual fund specified under section 10 (23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months.

Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

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

As per the provision of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

In case investment is made in Indian rupees, the long-term gains as computed after indexing the cost.

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the provisions to section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess)

As per the provisions of section 111 A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 15 percent (plus applicable surcharge and education cess).

### **Exemption of capital gain from income tax**

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer if only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80 C of the Act. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available in the case of other Non-Resident Shareholders.

### **BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs'):**

#### **Dividends exempt under section 10(34)**

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.

### **Taxability of capital gains**

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units chargeable to STT.

The income by way of short term capital gains or long term capital gains (in cases not covered under section 10(38) of the Act) realized by FIIS on sale of shares of the Company would be taxed at the following rates as per section 115 AC of the Act.

Short term capital gains, other than those referred to under section 111 A of the Act shall be taxed according to their respective slab rates (plus applicable surcharge & education cess).

Long term capital gains @ 10% (plus applicable surcharge & education cess) (without cost indexation).

It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

#### **SPECIAL TAX BENEFITS:**

There are no special tax benefits in the case of Foreign Institutional Investors.

#### **BENEFITS AVAILABLE TO MUTUAL FUNDS**

As per provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities And Exchange Board of India Act, 1992 or regulations made there under, mutual funds set up by public sector banks or public financial institutions or authorized by the Reserve bank of India would be exempt from income tax. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

#### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available in the case of Mutual Funds.

#### **VENTURE CAPITAL COMPANIES / FUNDS**

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

#### **SPECIAL TAX BENEFITS:**

There are no special tax benefits available in the case of Venture Capital Companies/Funds.

#### **TAX TREATY BENEFITS**

An investor has an option to be governed by the provisions of the Act or the provisions of a tax treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

#### **BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957**

Share of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no wealth tax will be payable on the market value of shares of the company held by the shareholders of the company.

**SPECIAL TAX BENEFITS:**

There are no special tax benefits available to the shareholders in respect of Wealth Tax.

**Notes:**

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2011.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.



## SECTION V - ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is derived from industry report prepared by CRISIL Research and other industry sources. It has not been independently verified by the Company, the Book Running Lead Manager and their respective legal or financial advisors, and no representations is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions shall not be based on such information.*

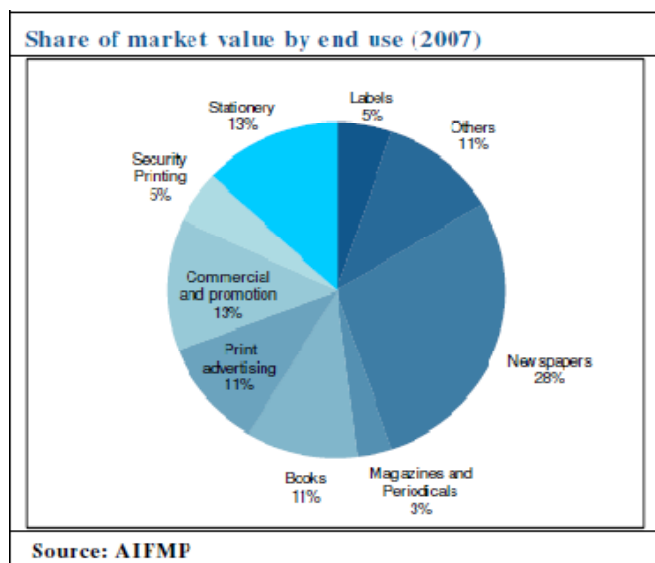
#### Printing Industry

##### An overview

The global and domestic printing industry has recorded strong growth over the last few years. The advent of Internet has not affected the growth and requirement for printing professionals. The printing industry's machinery has improved immensely in terms of scope, technology and speed. Computers and electronics have invaded all departments of printing, improving quality and speed of jobs executed and consequently, enhancing costs enormously.

There are a number of publishing firms in the private sector scattered throughout the country. However, majority of these are small in operation and confined to producing titles in Indian regional languages, catering to the needs of local markets. Only a few publishing concerns in India are reasonably large, equipped with proper infrastructure such as printing presses, distribution network and producing more than 50 titles annually. In totality, the Indian publishing industry is counted amongst the top seven publishing industries globally. According to industry sources, there are more than 160,000 printing presses in active operation all over the country employing a work force of 1.6 million.

Of the various end use segments of printing, the newspapers account for nearly 28 per cent share of the market value; stationery follows with a 13 per cent share. The rest is fragmented amongst books, commercial and promotion, print advertising and magazines.



The overall printing industry is expected to grow to Rs 828 billion by 2012 from about Rs 475 billion in 2007 with a 2007-12 CAGR of 11.2 per cent. Segments like books and print media are projected to witness a faster growth rate of around 10 per cent each during the same period. The segment wise market value is shown in the table hereunder:

#### Segment wise market value

Segment	2007 (Rs billion)	2012P (Rs billion)	CAGR (%) 2007-12
Newspapers	130.6	215.7	10.5%
Magazines & Periodicals	15.2	22.9	8.5%
Books	49.8	79.7	10.0%
Stationery	60.5	89.4	8.1%
<b>Total</b>	<b>475.5</b>	<b>828.1</b>	<b>11.2%</b>

**Source: AIFMP , CRISIL Research**

#### Newspapers

Seven of the top eight newspapers circulated in India are vernacular. English newspapers, which primarily focus on the metros and urban areas, attract lesser overall readership as compared to regional papers targeting the non metro population. According to the Indian Readership Survey 2010, the Hindi print 'Dainik Jagran', with a readership base of 15.9 million leads in overall newspaper readings whereas 'The Times of India', at the forefront in the English newspaper segment with a readership base of 7.1 million, occupies the eighth position in the same category.

#### Magazines

Magazine readership has been declining due to free content available on the Internet, easy access to information through multiple sources and changing and hectic lifestyles. Most of the magazines post negative readership trends as per IRS surveys. Only three of the top 20 magazines have registered growth in the results of IRS second quarter of 2010. Malayalam fortnightly magazine, Vanitha, continues to remain the most widely read magazine in India,

followed by Saras Salil, the Hindi fortnightly. However, both publications have posted declines of 9.36 per cent and 7.42 per cent, respectively.

## **Books**

The books segment is significant both in terms of volume (number of titles published and copies printed per title) and value of production, having about 10 per cent share of the market value of the industry. The segment has massively grown in the current millennium owing to the country's economic reforms and leadership in information technology and software design. These factors have attracted leading western publishing houses like Penguin, Macmillan and Thompson to invest in the Indian market. Moreover, India is also the only country in the world to publish books in more than 24 languages.

## **Stationery**

The stationery sector is a heterogeneous and a highly unorganised business. It is usually associated with schools, colleges and offices. It includes paper stationery, comprising a vast collection of products like exercise books, note books, stitch, glued and tape pads amongst others. The huge greeting and wedding card market, autograph books and party invites are also a part of this segment. With seasonal exports, that is from April-June, major importing countries include the US, Australia, Canada, African countries and the Middle East. Government-sponsored education schemes like the Sarva Shiksha Abhiyan, rising affordable incomes and growing population are the sector's domestic demand drivers.

The stationery industry, however, is facing major competition from imports especially from China. Chinese manufacturers have the advantage of mass production, favourable government export policies, simplified low taxation and a well developed export market.

### **i. Wedding cards**

The wedding cards industry has grown hugely due to an increase in demand for gracefully designed wedding cards. The earliest kinds of invitations were handwritten decorated with great care. Later, a typed version on various kinds of papers emerged. Invitations assumed a bigger dimension as they started getting printed. More decorations, colours and styles were involved making invitation cards both a visual treat and a lucrative business.

Recent years have seen a shift from the usual trends. Traditional wedding cards with common illustrations of a young couple holding hands, simple images of deities, or the picture of entwined hearts have given way to computer-created graphics and designs. Wedding cards were initially made on traditional yellow paper but today different varieties of paper and boards such as Ivory Board, Colour Board, Handmade Art Paper, Nonwoven sheets and velvet cloth are used for the same.

The wedding card market in India for the ten million marriages performed annually is estimated by industry sources to be currently worth Rs 8,000 to Rs 10,000 crore. On an average, an Indian family spends close to Rs 20,000-Rs 30,000 on invitation cards for a wedding that costs Rs 15 lacs. The elaborate wedding invite comes with the main card and three to four add-on cards. Different types of wedding cards as per religion and designer cards, scrolls, handmade invites and jewelled cards are available in the market. Cards are available in various shapes and sizes besides the regular rectangular shape. There are simple abstract designs on henna-red handmade paper or more realistic forms on gold, silver or ivory printed sheets. Silkscreen printing and offset printing are in vogue. Printers source paper from Punjab and Madhya Pradesh, and from cities like Delhi, Kolkata and Ballarpur. Most of the imported paper comes from Japan, Indonesia and Italy.

## **ii. Greeting cards**

According to industry sources, the estimated greeting card market was around ₹ 300 crore in 2008. The organized sector accounts for more than 50 percent of the greeting card market and Archies Greeting Cards accounts for around half of the organized sector. The Company deals in brands like American greetings, Carte blanche, Fizzy Moon, and Russ Berrie.

Bulk orders by corporates drive the seasonal sales of greeting cards. While some card manufacturers, experiencing a decline in greeting card demand due to more eco-friendly and economic alternatives like sms and e-greetings, have moved to the gifting segment, others have introduced newer designs that exhibit emotive expressions and add value to the greeting.

The gifting segment, which constitutes a huge market, has many players from the social expression card segment. Some of the companies have tied up with several international brands to bring gifting in a big way keeping in mind the growing affluent society and the desires of the Indian consumer. Among the various gifts articles, the most common include soft toys, perfumes and deos, premium chocolates, fashion jewellery and posters.

India's per capita consumption of greeting cards is low as compared to that of the US and the UK. In the US, as of 2008, greeting cards were a \$10.8 billion market, with Christmas, Birthday, and Valentine's Day cards representing the top three segments. The sales of subscription based electronic greeting cards had also increased in the US with the volumes at around 5 per cent of the number of paper cards sold.

### ***Industry Characteristics***

The Indian print media industry is highly fragmented with importance to regional dominance. The Indian print media segment primarily comprises of the newspapers and magazines segment. The books segment also forms part of the print media though currently the share is not substantial. The newspaper industry has relatively high entry barriers due to the strong brand equity of existing players. Also, existing players have strong control over the distribution network, making it difficult for new players to enter.

Although the size of the Indian stationery industry is difficult to determine because it includes both industrial and smaller manufacturers, it is growing at an estimated rate of 8-10 per cent every year. The sector is highly unorganized with approximately 100 to 200 manufacturers in every city. Factors like lack of modern production facilities, unorganized nature of functioning, marginal demands, government policies and international competition are largely contributing to the slow growth of the organized stationery industry in India. However, the industry is now showing signs of organized growth, as a result of tremendous increase in the demand for the stationery products in India. This demand can be attributed to the entry of a large number of international brands in India. With the emergence of international brands like Faber Castle, Kores, Maped, etc. in the Indian market, the market has become highly competitive in both quality and price.

The Indian stationery industry largely comprises of educational and office stationery products. The organized players in the stationery industry include BILT, Navneet Publications, Srinivas Fine Arts, Blue Bird and Cello among others. There is relatively less value addition in stationery than print products like books but the volumes are much higher.

## **Growth drivers**

### **Growth in end user segments**

India is fast becoming one of the major print producer and manufacturer of printed paper products for world markets. Quality standards have improved dramatically and immense production capacities have been created. The annual turnover of all the components in the Indian printing industry was more than Rs 500 billion in 2007. Indian books, journals and periodicals are exported to over 120 countries both developed and developing.

Growth in the print media, comprising newspapers and magazines, can be achieved through sustained growth in ad revenues due to increased advertising spends from emerging sectors such as education, organised retail and telecom, amongst others. Both the newspaper publishing and the magazine segment are expected to increase at a CAGR of 9 per cent over the next 5 years and projected to reach Rs 249 billion and Rs 20 billion, respectively by 2014.

### **Favourable government policies**

The industry has benefited from the liberalization of rules and regulations relating to foreign direct investment. FDI investment was permitted in the print sector in 2005. At present, foreign direct investment of 100.0 per cent ownership is allowed for non-news publications, such as scientific or technical journals, and facsimile editions of foreign newspapers; 26.0 per cent foreign direct investment and ownership is permitted for news publications. The easing of foreign direct investment restrictions has allowed private equity to play a major role in reshaping many segments of the entertainment and media industry in India. Additional guidelines and regulations have also been issued allowing print media companies to provide editions of foreign newspapers that can be made available to Indian readers where previously they were only imported into the country. The addition of foreign newspapers to the Indian print media market possibly will append to an already competitive market.

### **Improved literacy and Lifestyle changes aid growth**

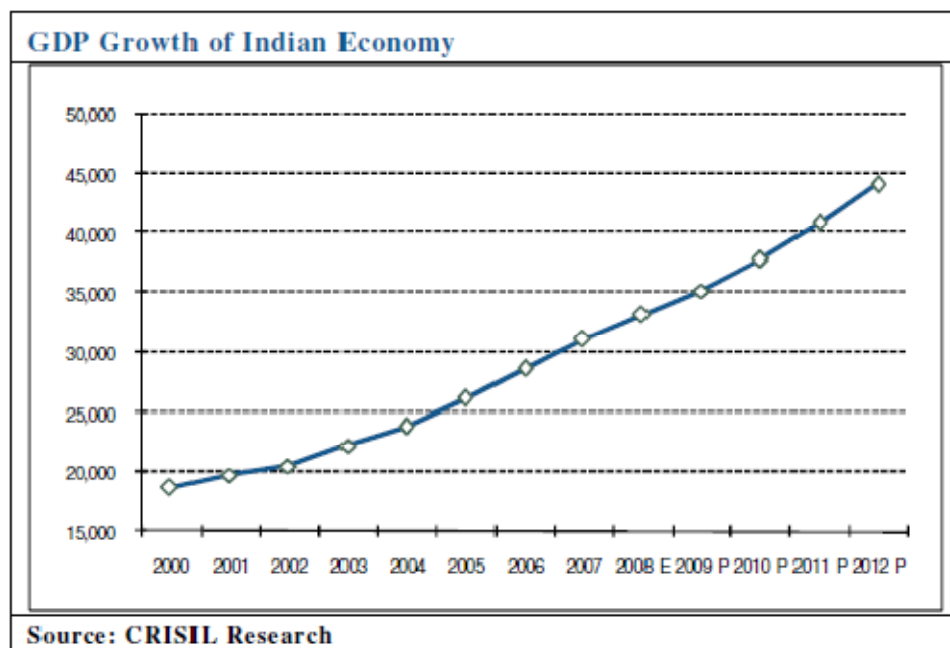
Improved literacy levels, greater importance to content and increased promotions and print advertising have aided the print industry's growth. The literacy rate in India stands at around 66 per cent as per the NSSO report 2007-08. Of the total rural population, 50 per cent had completed primary education as compared to 48 per cent a year ago. The literacy / print penetration levels in rural markets (62 per cent / 30 per cent) offer better scope for growth versus the urban markets (83per cent / 57 per cent).

### **Increased outsourcing of printing jobs to India**

Outsourcing of printing jobs has led to better pre press production, substantial cost cuts and quicker results. The industry handles various products like catalogues, brochures, business cards, business identity cards, letter heads, envelopes, cards, newsletters, stationery and posters. CRISIL Research expects an increase in the outsourcing of printing jobs in India to act as a growth driver for the print industry.

### **Strong Economic growth**

The strong economic growth is expected to boost all industries. CRISIL Research estimates the GDP to grow to about 44 trillion rupees by 2012. This increase will provide the impetus to the printing industry and boost segments like print advertising.



### **Growth drivers - Wedding cards**

#### **Steady growth in the wedding industry**

Many business enterprises including jewellery, caterers, couture, flower shops, printing press, music, transportation, photography and videography make up the wedding industry. The wedding planning sector has emerged as a stress buster owing to the lack of any single enterprise providing all amenities in a one-stop shop. Lavish wedding gowns, themes and receptions have become trendy as they represent the societal status and economic class of a couple.

Industry experts' latest estimate of the size of the wedding industry in India is a whopping Rs 1,90,000 crore in 2010. With the industry growing at an average rate of 25 per cent per annum, the lavishness doled out by Indians on weddings is getting larger with exhibitors and designers from Pakistan entering the market. Industry experts indicate that an elaborate wedding takes place for around a crore and a half while the average wedding expenditure for a middle class family comes to about Rs 15 lacs without the jewellery.

Online portals like Shadi.com, Bharat matrimonials and others rack up revenues of Rs 200-250 crore from match-making annually, and believe the business can only get bigger. While the traditional tentwallas still rule the roost, creative wedding planners are also making the most of it. Theme weddings are the latest trend in Indian weddings; the decor only costs between Rs 50,000 and Rs 3 lacs. Wedding planners have innovative ideas, offering a wide range of themes - Royal Victorian, Buddha, Mughal-style, Egyptian and Moroccan fusion and traditional Rajwada, to name a few. India has also become a perfect destination for beach weddings given its large number of beaches.

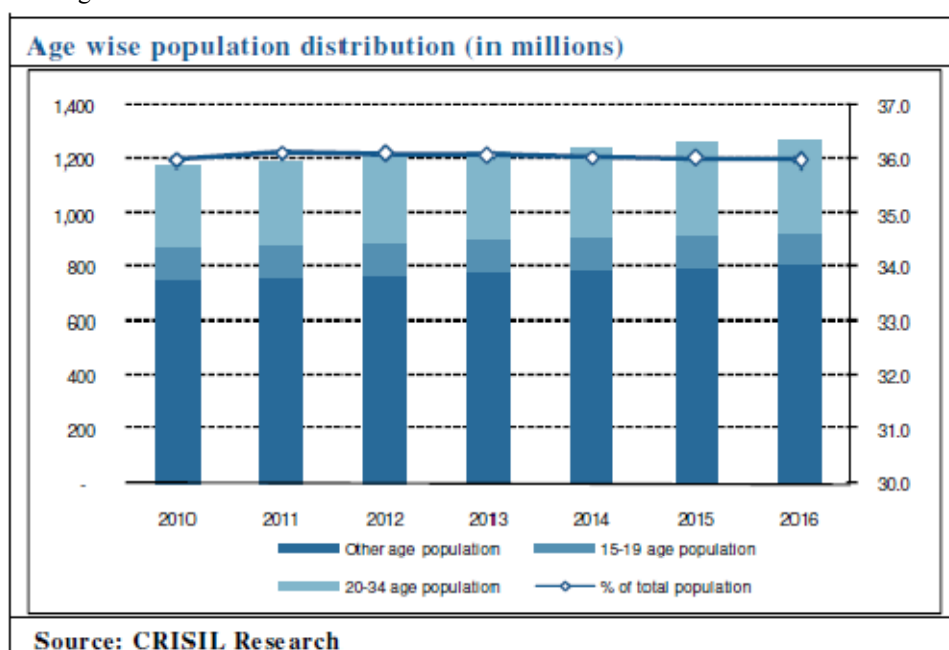
#### **Global wedding market**

More than two million couples got married in 2008 in the US alone. China has nearly 9 million marrying couples every year, spending \$19,900 per wedding. A traditional Japanese wedding would cost a couple an average of \$70,000 according to the Census of Japan in 2005. Las Vegas, Nevada is ranked as number one city where most couples from all over the world plan to wed, with around 106,000 weddings a year. Istanbul, Turkey with 92,000

weddings annually follows close behind. Gatlinburg in Tennessee and New Orleans in Louisiana, both in the United States, are next in line. The Caribbean, Mexico, and almost all parts of Europe are expensive wedding destinations.

### Significant population in marriageable age group

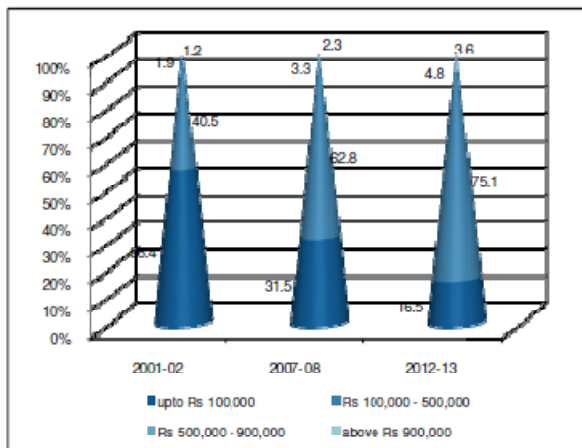
The marriage age group population (ages between 15 and 34) forms a significant proportion of the total population and is expected to remain high in the coming years. As per the Census 2001 projections, population in the age bracket of 15-34 is projected to grow and account for nearly 36 per cent of total population by 2016. This is likely to result in a significant increase in marriages and consequently lead to strong growth in wedding related products like wedding cards.



### Increasing Household Income

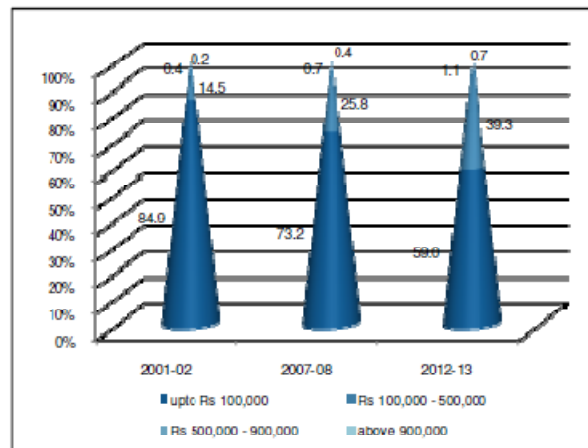
With strong economic growth India's demographic profile is expected to witness a significant change over the next few years. With rising income levels, there has been an increase in household income and going forward CRISIL Research expects this trend to continue. Increasing household income would lead to an increase in disposable income which would help boost sectors such as wedding industry as spend on weddings would increase. This would in-turn help related segments like the wedding card segment. CRISIL Research expects a significant shift in the household income bracket with an increased number of households in the "above 1,00,000" segment. This trend is expected both at the urban as well as the rural sectors.

### Households in various income brackets in urban areas



Source: CRISIL Research

### Households in various income brackets in rural areas



Source: CRISIL Research

With increase in the number of people in the marriageable age and with increase in household income we believe that there will be an increase in the spend on weddings. This is likely to result in strong growth in all the allied industries related to weddings like wedding cards etc. over the medium term.



## BUSINESS OVERVIEW

Our Company was originally incorporated as ‘Olympic Business Credits (Madras) Private Limited’ on April 21, 1992 under the Companies Act, 1956 at Chennai vide Certificate of Incorporation issued by the Registrar of Companies, Tamil Nadu, Chennai (‘ROC’). The Company was converted into a Public Limited Company with effect from March 22, 1995 and the name of our Company was changed to Olympic Cards Limited with effect from May 13, 1998.

Initially, in November, 1962, Mr. N. M. Habibullah, father of our Promoter Mr. H. Noor Mohamed started business under the name of “Olympia Paper & Stationery Stores”, a Proprietary concern. The Proprietary concern was later converted into a Partnership firm in the year 1974 with its partners being Mr. H. Noor Mohamed and Mr. H. Salahudeen Babu, both brothers. Originally, the Partnership firm was engaged in the business of manufacturing and trading of Wedding Cards, Greeting Cards, Office Envelopes and Papers & Boards and later on confined to trading of diaries. In 1992, the group established a Private Limited Company named “Olympic Business Credits Madras Private Limited” which was later on converted into a Public Limited Company. The Company was formed mainly with a view to capture the market of wedding cards and other associated products, like Greeting Cards, Office Envelopes, Cloth-lined Covers, Student Notebooks, Account Books, Files, etc., and continued to carve a niche for itself in its segment of business. In the year 2003, the Group started partnership firm named “Olympic Paper Products” for the purpose of trading in various kinds of disposable paper products. In the next year, i.e. 2004, the Group started another partnership firm named “Olympic Plastic Products” for the purpose of carrying on the business of manufacturing and trading in different kinds of disposable plastic products. In the same year, both the brothers and founders of the Olympic Group, Mr. H. Noor Mohamed and Mr. H. Salahudeen Babu, decided to do the business independently with mutually agreed terms and conditions. Further, they have agreed to use the brand name “Olympic” and have agreed not to sell, lease or otherwise dispose the brand name to any other person other than their children and their successors.

Under the brand “OLYMPIC”, we are one of the leading manufacturers of paper / board based products, with a presence mainly in southern India. Our Company is presently engaged in the business of manufacturing and trading Wedding Cards, Greeting Cards, Envelopes, Letter Heads, Business Cards, Calendars, Notebooks, Account Books, etc. We are also trading in the business of printing inks. Our premier product is WEDDING INVITATION CARDS accounting for more than 50% of the current sales. Our invitation cards for Bharatanatya Arangetram and brochures for Arangetram functions are most popular among the Non- Resident Indians who are nurturing Indian traditions to their children abroad. During the year 2000-01, we began export of our products including Wedding cards, Greeting cards, Visiting cards, Envelopes and Printing inks to foreign countries such as Malaysia, Singapore, Sri Lanka & Dubai. We have plans to expand our market presence both within and outside India.

The contributions to total revenue of our products for the period ended December 31, 2011 and for the financial years ended 2011 and 2010 is set forth in the following table:

Sr. No.	Product Range	For the Period Ended December 31, 2011		F.Y. 2011		F.Y. 2010	
		Amount	%of Total Revenue	Amount	%of Total Revenue	Amount	%of Total Revenue
1.	Wedding cards	1746.21	53.5%	1,883.99	49%	1,409.63	45%
2.	Greeting cards	212.16	6.5%	307.60	8%	313.25	10%
3.	Envelopes	391.67	12%	422.95	11%	294.14	9%
4.	Letter heads	65.28	2%	76.90	2%	62.65	2%
5.	Business cards	130.56	4%	153.80	4%	156.67	5%
6.	Calendars	97.92	3%	76.90	2%	156.63	5%
7.	Notebooks	163.20	5%	192.25	5%	156.63	5%
8.	Account books	65.28	2%	115.35	3%	93.98	3%
9.	Traded Goods	391.67	12%	615.21	16%	488.94	16%
<b>Total</b>		<b>3263.94</b>	<b>100%</b>	<b>3,845.04</b>	<b>100%</b>	<b>3,132.52</b>	<b>100%</b>

(₹ in Lacs)

## **Our Competitive Strengths**

We plan to continue to capitalize on the following, which we believe to be our key strengths:

Olympic Cards Limited (Olympic) has a presence in the business of Wedding Cards for nearly 2 decades. Olympic is into the business of manufacturing of Wedding cards, Greeting Cards, Visiting Cards, Office Envelopes, Clothing Covers, Student Notebooks, Account Books, Files, etc. Our extensive experience in the industry enables us to gauge and understand the changing trends and growth prospects associated with the industry.

- **Existence of the group in the business for 5 decades**

The Olympic Group was founded in the year 1962 by Late Mr. N. M. Habibullah, father of our Promoter Mr. H. Noor Mohamed. Since then our brand “Olympic” is a household name for wedding and greeting cards in Tamil Nadu. Our brand is popular and well known to the general public for its quality, affordability, variety and reliability for more than 4 decades. The growth was not flash in the Pan achievement but a patient, calculated risk and effort cocktail, which has brewed the ‘Olympic’ brand into a household name for Wedding and Greeting Cards. Our Company is a consistent dividend paying Company.

- **Large-scale, versatile manufacturing infrastructure**

We compete with both small manufacturers with limited geographic reach and technical operations in the unorganized segment of the wedding cards and greeting cards and with other larger manufacturers in the organized segment of the wedding cards and greeting cards industry. We have three manufacturing facilities at Chennai. Our average production of cards per day is approximately 1,50,000 number of cards. Apart from the wedding cards and greeting cards we are also offering a wide range of products in the form of Envelopes, Letter Heads, Business Cards, Calendars, Notebooks, Account Books, etc. We believe that this large-scale and versatile manufacturing infrastructure gives us a significant advantage over the unorganized sector of the industry and allows us to compete more effectively with the organized manufacturers in the sector. Our large-scale, versatile operations allow us to develop efficient and cost-effective processes for different products at short notice and to maintain capacity to take on new opportunities as they arise. As a result, we are able to reach a large market through the scale of our operations and provide a product mix that responds to customer’s demands in a timely manner.

- **High-quality products**

We have invested in high-quality, technologically advanced printing manufacturing equipments to help us to ensure the efficient production of high-quality wedding cards and other products. The scale of our operations and our experience in the business, have enabled us to provide higher quality products in response to demands from customers for more “premium” paper / board based products. We believe our high-quality products sets us apart from the unorganized sector of the printing industry. We also believe that our investment in technology also allows us to provide higher quality products to our customers and this allows us to attract new customers and differentiate ourselves from smaller competitors.

- **Cost-efficiencies through scale, experience and technology**

The printing industry is dependent on raw materials. In particular, the cost of the paper from which we produce our products is our largest operating expense. We are able to achieve cost-efficiencies through our scale of operations and long experience in the industry and through our investment in latest technologies. The size of our operations and long-standing relationships with suppliers allows us to achieve cost-saving through bulk purchases and better rates. Our investment in modern machinery has also allowed us to achieve significant cost efficiencies through a reduction in wastage.

- **Research and Development**

In an industry where the new designs come every now and then, it becomes extremely necessary for the survival of a company to be as much innovative as possible to bring out new designs. To meet the said requirement, our Company has established an in-house Research and Development facility at Chennai. Our Research and Development team focuses on continuous improvement of operating parameters and they meet regularly to brainstorm possible measures for reducing cost, creating new designs and optimising outputs.

**Our Products**

Olympic Cards Limited is a fully integrated manufacturing and trading Company. We are mainly involved in manufacturing and trading of Wedding Invitation Cards, Greeting Cards, Visiting Cards, Office Envelopes, Cloth-lined Covers, Student Notebooks, Account Books, Files, etc. and we are also involved in the trading of the items like Screen-Offset Printing Inks. We are using high quality paper & boards (both indigenous and imported) for our products by employing latest techniques and machinery in designing and developing our products to the taste of our domestic as well as foreign customers. Our Brand name 'OLYMPIC' is popular and well known to the general public for its quality, affordability, variety and reliability for more than four decades. Wedding Invitation Cards alone account for almost half of the total sales of our Company.



A brief description of our various products is as follows:

### Wedding Cards



Indian weddings have a riot of rituals and customs and according to the tradition, all the guests are invited to the wedding function through invitation cards. Invites form an imperative component of a wedding ceremony. Invites are a cordial way of informing your guests about the time, date and venue of the functions and that their presence would be highly esteemed. Generally, Indian wedding cards are traditional looking and have an ethnic touch in them.

Wedding cards is our core product, manufactured by our Company at our own factory and sold to every household in the country for their family functions. Our cards are designed and well crafted, considering the traditions and cultures of all communities and made suitable to their individual taste. Our wedding cards are sold under the brand name 'Olympic' and the name has been synonymous with quality, service and consumer satisfaction. We have repeat customers who prefer our cards from engagement to wedding, birthdays to anniversaries and many customers prefer our products through generations. We categorize wedding cards into Ready-made cards and Customized cards.

**Ready-made cards:** Considering our Indian culture and at the same time taking into consideration the individual taste we produce high volume of standardized cards with simple, elegant designs aimed at mass markets to cater to people who are cost conscious but at the same time looking for good designs.

**Customized cards:** They are made considering the Customers' specific requirement like theme of their wedding, the card colour, size, paper, board material and printing style. These individually styled cards of the premium variety reflect Olympic's commitment to meet the quality and to attain perfection in service.

## Greeting Cards



Greeting cards are usually given on special occasions, such as birthdays, Christmas or other holidays, they are also sent to convey thanks or express other feelings. Greeting cards, usually packaged with an envelope, come in variety of styles. There are both mass-produced as well as handmade versions that are distributed by hundreds of companies, large and small. While typically inexpensive, more elaborate cards with die-cuts or glued-on decorations may be more expensive.

Hallmark Cards and American Greetings are the largest producers of greeting cards in the world. In western countries and increasingly in other societies, many people traditionally mail seasonally themed cards to their friends and relatives in festive seasons. Many service businesses also send cards to their customers in these seasons, usually with a universally acceptable non-religious message such as "happy holidays" or "seasons' greetings".

We manufacture corporate and seasonal greeting cards for all occasions and seasons. Apart from this we also deal with other prestigious brands like the Archies, Signature, Wilson, Monarch, etc. We have both wholesale and retail greeting cards outlet.

## Envelopes



Envelopes are our basic stationery requirement used for all our formal as well as informal communications. It is a common packaging item, usually made of flat material such as paper or cardboard. It is designed to contain a flat object, such as a letter or card.

We make envelopes of different sizes for office stationeries as well as for our wedding cards. We also have a printing division to print envelopes as per our customers' requirements. Apart from regular plain cover, we also manufacture envelopes with windows, self adhesive cover, lamination cover, cloth-lined cover. We also manufacture various types of covers having various types of usage.

## **Business Cards**



Business cards speak about a person, his position and his business. They are shared during formal introductions as a matter of convenience and a memory aid. We cater to all kinds of business cards - all designs, colours, patterns with various kinds of embossing, catering to all the segments in business pyramid. We strive to ensure that the business card stands to speak about a person and gives utmost importance to ensure the quality of material, design, & type of printing.

## **Calendars**



A calendar is a system of organizing days for social, religious, commercial, or administrative purposes. It marks a day and helps us plan the day ahead including the future appointments. We, at Olympic, make Desktop Calendars, Monthly sheet Calendars, Daily sheet Calendars, Single Sheet calendars, in different vernacular languages. We also make calendars for our corporate clients including packing the same as complimentary gifts, and give-away for their employees and clients.

## **Notebooks and Accounts Books**



Our notebooks and account books are designed for educational use, office use and for home and personal use. We manufacture notebooks and account books of all shapes, sizes and varieties for schools. We are offering notebooks and account books ranging from basic to premium quality. We produce soft cover and hard bound notebooks, with a variety of cover materials and of cover designs ranging from plain, single colour covers to covers featuring



sophisticated, multi-colour designs. We are also able to provide a variety of bindings, including stitched and taped bindings as well as hard bound binding and spiral binding. Our broad range of notebooks is designed to appeal both to cost-conscious consumers who seek a utilitarian product that will meet their basic needs for notebooks as well as more quality- and style-conscious consumers who seek a premium product not available from manufacturers in the unorganized segment of the notebook and stationery industry in India. We also have over the counter sales of notebooks and account books.

With the target customer as students in mind, 'Olympic' takes the Corporate Social Responsibility of educating the students on the importance of conservation of forests, the ill effects of wastage of paper and the global warming and on educating students of simple methods of saving paper and to avoid littering in public area. We print these messages usually in attractive formats at the front and back of the books along with our logo "Olympic".

### **Other Stationery Products**

#### **Letter Heads**

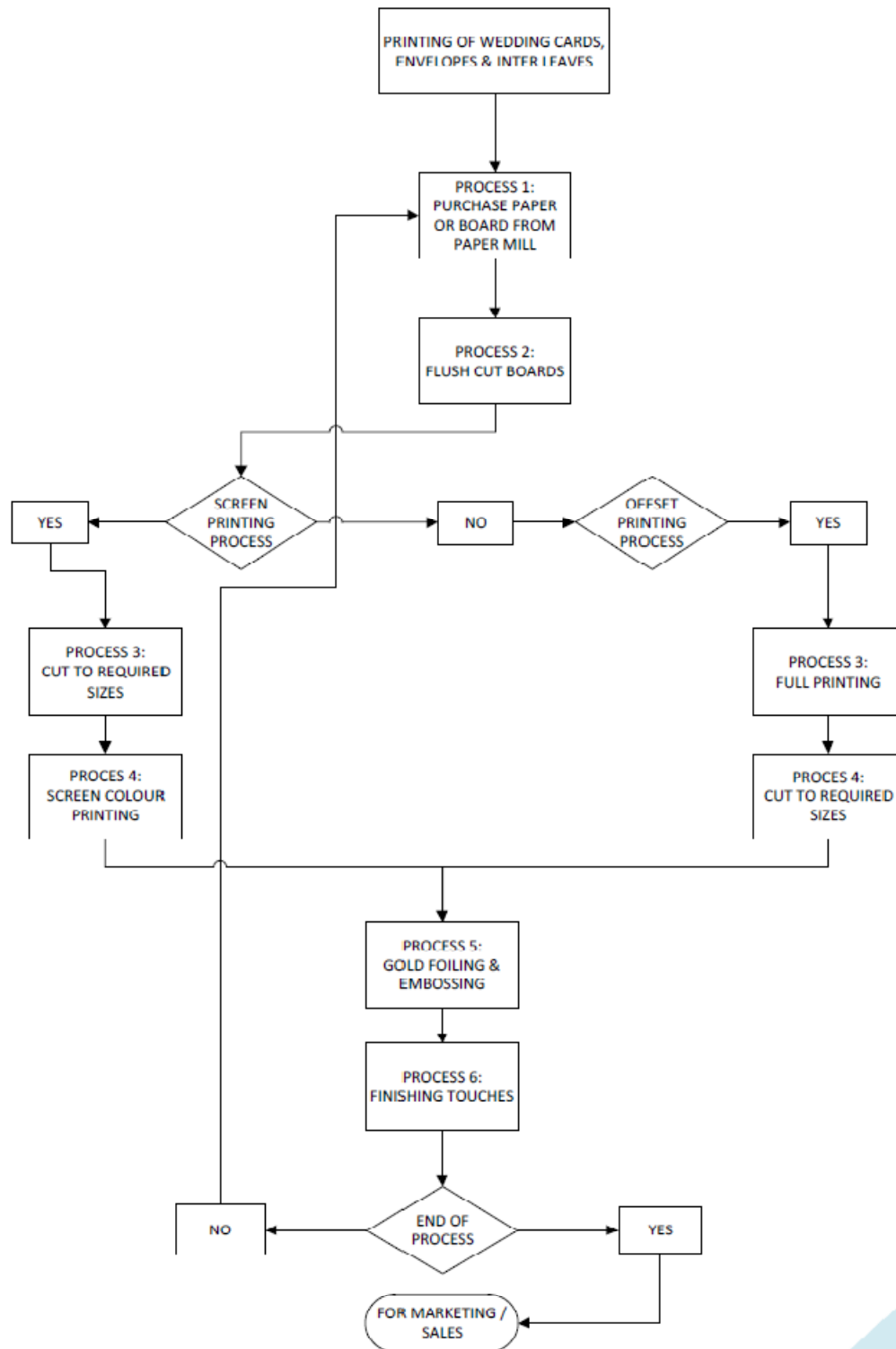
We manufacture letter heads of standard size, international size and custom made size. We use plain white papers, half toned papers, imported papers, recycled papers and lined papers for the same purpose. Designing as well as printing as per the customers' requirements is our unique selling proposition in the market.

#### **Files & Folders**

We manufacture tag files, box files, clip files, voucher files, zip folders, corporate folders, etc., using various boards and with different types of clips and printing.

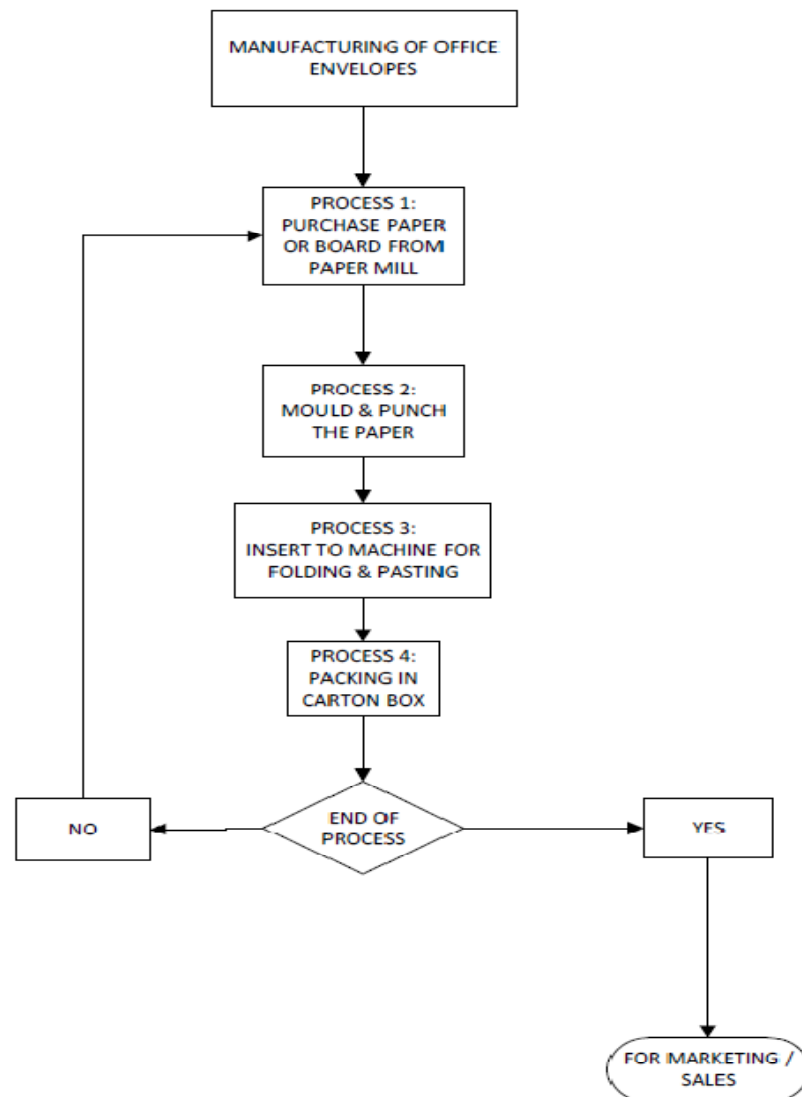
## Manufacturing Process of Our Products

### Wedding / Greeting Cards

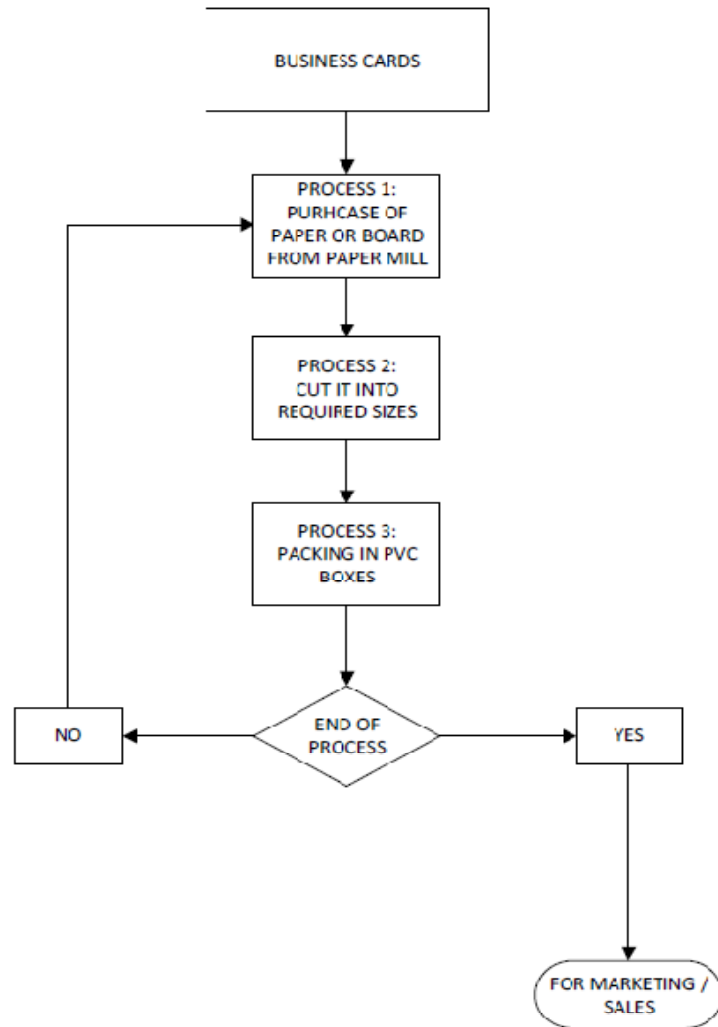




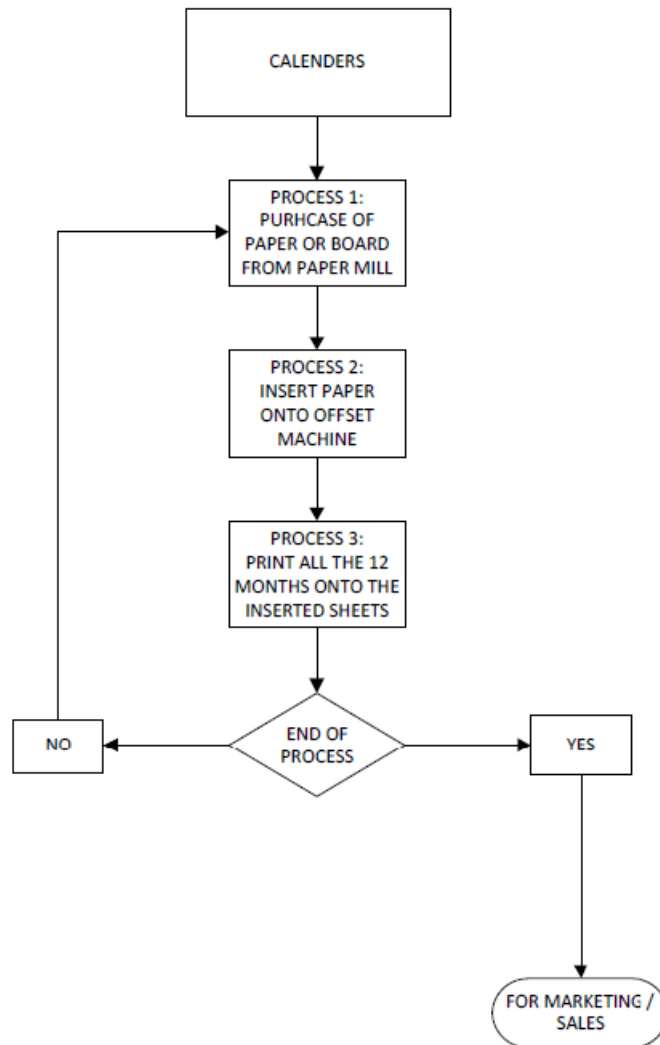
## Envelopes



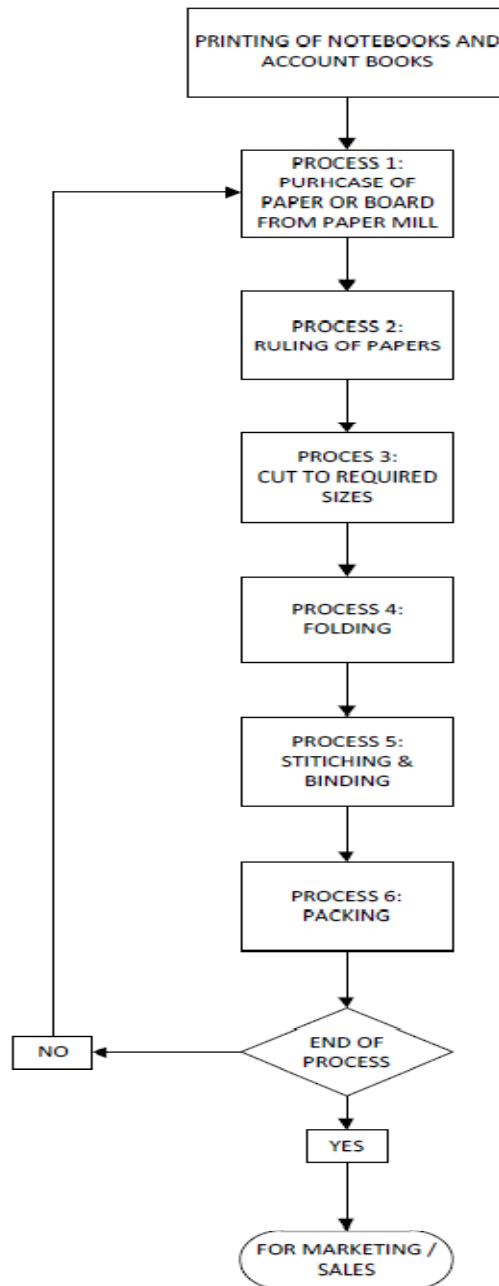
## Business Cards



## Calendars



## Notebooks and Account Books



## **Our Strategy**

We strive to maintain and extend our leadership position in the wedding card industry, and improve our product mix and capacity utilization to develop a stronger market position in the printing industry, both nationally and internationally. In order to meet these objectives, our business strategy is based on the following:

- **Diversified product mix**

Wedding cards is our highest selling product in the market. Now, we are planning to diversify our product mix by manufacturing other stationery products designed for personal use by further expanding our offerings in that area. In addition, we are also planning to increase the production of our other products such as Greeting Cards, Envelopes, Letter Heads, Business Cards, Calendars, Notebooks, Account Books, etc. as our printing technology provides significant adaptability and allows us to change the products with relative ease, we plan to use the extra capacity available in our existing printers to expand our range of stationery and our printing operations.

- **Increased market penetration through the creation of additional retail outlets**

As part of our effort to further develop our position in the Indian wedding card market, we propose to set up retail outlets so that there is more equitable distribution of outlets across the country. These outlets will form an important part of our sales and distribution processes. Most orders for the wedding cards and other products are received from both the retail customers and the wholesalers or dealers who form our customer base. These offices will also provide the point from which products will be distributed to and collected from the retail customers. Hence, the setting up of these outlets is an important part of our plan and it will help us to create penetration for our products into new areas and segments and to increase penetration into already existing areas and segments. Currently, we operate through 6 retail outlets and for growing our footprint, we plan to expand our market penetration and visibility.

- **Enhancing our brand “Olympic”**

We believe that our brand “Olympic” is a household name for wedding and greeting cards in Tamil Nadu. Our brand is popular and well known to the general public for its quality, affordability, variety and reliability for more than 4 decades. We plan to enhance the visibility of our brand within the wedding card and printing industry. By offering a recognised, branded product, we have an advantage over other players in the unorganized segment of the wedding card industry in India. We also believe that the recognition enjoyed by our brand in the wedding card industry can be leveraged in for our other products also. We therefore plan to enhance the visibility of our brand by increasing market penetration of the brand through various efforts, including but not limited to the growth of our sales and marketing office network, heightened spending on advertising campaigns and expansion of our branded products to other regions.

- **Increase capacity and extend our distribution capabilities**

Presently, we manufacture and distribute all our products, nationally and internationally, from Chennai. To meet increasing demand from various parts of India and Abroad, we need to establish new manufacturing facility of comparable size and scope. This would help us in improving operational efficiencies in procurement as well as distribution since work would be carried out from different location. The manufacturing facility will be approximately 1.2 Lacs sq ft. and will feature some imported machineries.

## **Facilities**

Our Manufacturing facilities are located at No. 4 & 5 Vyasarpadi Industrial Coop. Estate, Chennai –600 039.

## **Our godowns are located at:**

1. No. 52, Malayaperumal Street, Chennai – 600 001,

2. No. 9 Chinnathambi Street, Chennai – 600 001
3. No. 10 Chinnathambi Street, Chennai – 600 001
4. No. 54 Chinnathambi Street, Chennai – 600 001

### Capacity and its Utilisation

#### Present Capacity

(Units in Lacs)

Sr. No.	Product	F.Y. 2008-09			F.Y. 2009-10			F.Y. 2010-11		
		Installed Capacity (Units)	Actual Production (Units)	% of capacity utilisation	Installed Capacity (Units)	Actual Production (Units)	% of capacity utilisation	Installed Capacity (Units)	Actual Production (Units)	% of capacity utilisation
1.	Wedding cards	451.63	381.39	84.45	517.50	484.51	93.63	552.50	540.73	97.87
2.	Greeting cards	127.73	124.85	97.75	101.98	98.70	96.78	102.00	100.00	98.04
3.	Envelopes	455.36	350.17	76.90	625.36	617.82	98.79	862.50	726.22	84.20
4.	Letter Heads	134.55	99.87	74.23	138.00	118.43	85.82	175.25	172.89	98.65
5.	Business Cards	14.90	10.52	70.60	17.25	15.59	90.38	28.02	22.30	79.59
6.	Calendars	10.00	6.90	69.00	11.48	10.21	88.94	10.75	9.61	89.40
6.	Notebooks	22.56	19.18	85.02	24.63	22.77	92.45	25.12	23.43	93.27
7.	Account Books	10.09	10.00	99.11	10.35	8.86	85.60	10.45	9.10	87.08
<b>TOTAL</b>		<b>1226.82</b>	<b>1002.88</b>	<b>81.75</b>	<b>1446.55</b>	<b>1376.89</b>	<b>95.18</b>	<b>1766.59</b>	<b>1604.28</b>	<b>90.81</b>

#### Proposed Capacity

(Units in Lacs)

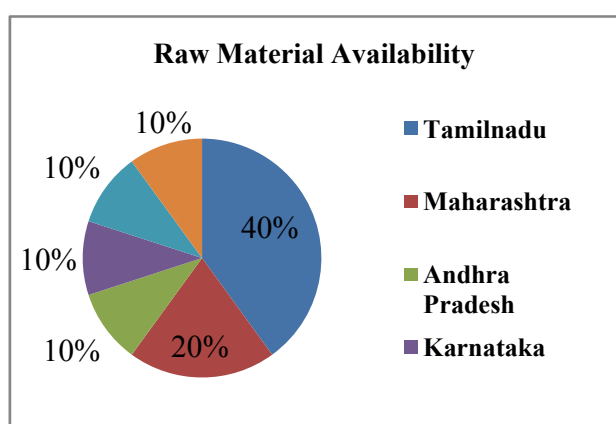
Sr. No.	Product	Proposed Installed Capacity (Units)	Estimated Production (2012) (Units)	Estimated Production (2013) (Units)	Estimated Production (2014) (Units)
1.	Wedding cards	1045.52	675.91	746.20	811.09
2.	Greeting Cards	204.93	125.01	138.01	150.01
3.	Envelopes	1261.84	907.78	1002.19	1089.33
4.	Letter Heads	278.93	216.13	238.59	259.34
5.	Business Cards	34.15	27.87	30.77	33.45
6.	Calendars	22.77	12.01	13.26	14.41
7.	Note Books	49.33	29.29	32.34	35.15
8.	Account Books	20.87	11.38	12.57	13.66
	<b>TOTAL</b>	<b>2918.35</b>	<b>2005.39</b>	<b>2213.95</b>	<b>2406.46</b>

## Utilities

### Raw Materials

The key raw materials required for our business are papers and boards. We are using high quality papers and boards (indigenous and imported) for manufacturing of our products and have employed latest techniques and machinery in designing and developing of our products to the taste of our valuable customers. Apart from papers and boards other raw materials required for our products are Inks, Adhesives, Gold Foils, Vergo Powder and Zari Powder etc.

We source our raw materials principally from domestic suppliers and are also importing them from Indonesia and Hong Kong. Over four decades of our operations, we have established strong relationships with our raw materials suppliers, which we believe allows us to procure quality raw materials at preferential costs within our specified time frame.



### Major Suppliers of Raw Materials

Sr. No.	Name of the Supplier	Location	Percentage (%)
1	Seshasayee Paper & Boards Ltd	Erode, Tamilnadu	10.01
2	Star Royal Distributors	Chennai, Tamilnadu	8.52
3	J. K. Paper Limited (Gujarat)	Tapi, Gujarat	5.55
4	Param Shubham Vanijya Ltd.	Chennai, Tamilnadu	4.98
5	Rangashiri and Co.	Chennai, Tamilnadu	3.20
6	Chinnammal Agencies	Chennai, Tamilnadu	2.21
7	G. Das and Co.	Chennai, Tamilnadu	1.71
8	Venkatesh Trading Co.	Chennai, Tamilnadu	1.61
9	The Andhra Pradesh Paper Mills Ltd.	Rajahmundry, Andhra Pradesh	1.49
10	Aruna and Co.	Chennai, Tamilnadu	1.20

### Water

Facilities for water are sufficient for the daily operations of the business of the Company.

## Power

### Existing

Our Company sources power from State Electricity Board which supplies power to each plant. The brief details of the power supplied are as follows:

Location	Section	Sanctioned (In KW)	Used Power (In KW)
No. 4 & 5 Vyasarpadi Co - Op Industrial Estate, Chennai – 600 039	Factory	318.0	260.0
No. 195, N.S.C Bose Road, Chennai – 600 001	Show room	149.5	117.7
No. 23, Anderson Street, Chennai – 600 001	Show room	30.0	25.0
No. 9 Chinnathambi Street, Chennai – 600 001	Godown	31.5	24.3
No. 10, Chinnathambi Street, Chennai – 600 001	Godown	21.0	16.6
No. 52, Malayaperumal Street, Chennai – 600 001	Godown	4.0	4.0
No. 54, Chinnathambi Street, Chennai – 600 001	Godown	3.6	0.9
Old No. 29, New No. 47, North Usman Road, T. Nagar, Chennai – 600 017	Show room	30.0	30.0
No. 162/1 Road, Thiruvannamiyur, Chennai – 600 041	Show room	30.0	30.0
Plot No. 41, Door No. 10, 1 <sup>st</sup> Cross Street, United India Colony, Kodambakkam, Chennai – 600 024	Show room	39.0	39.0
<b>TOTAL</b>		<b>656.6</b>	<b>547.9</b>

### Proposed

Our Company proposes to set up a new factory at Kannigaiper near Chennai. The additional proposed power requirement of Company is as follows:

Location	Section	Proposed Power Required (In KW)
No. 90, Kannigaiper Village, Utthukutai Taluk, Thiruvallur District.	Factory	450

### Selling & Marketing

The Company sells its products through Franchisees, Wholesalers, dealers as well as through its own sales force and maintains relations with customers, understands periodic product requirements and ensure timely delivery.

The Company has its own 5 sales showrooms in Chennai city and one is situated at Coimbatore. It has also appointed a fleet of agents and franchisees all over Tamilnadu, Andhra Pradesh, Karnataka and Kerala. We plan to open more retail outlets and appoint franchisees at various locations. Presently, the Company also has more than 75 dealers all over India and overseas. Names and addresses of our overseas' dealers are mentioned hereinbelow:



Sl. No.	Name of the Dealer	Address of the Dealer
1	Shanaka Ranasinghe	No. 21/6, Sri Wickrama Rajasinghe Road Negombo, Sri Lanka
2	Ukaaye Card (Pvt.) Ltd.	190, Bodhirajah Mawatha (Gas Work Street) Colombo – 11, Sri Lanka
3	Samanala Paper Industries (Pvt.) Ltd.	No. 23, Sri Wickrama Rajasinghe Road Negombo, Sri Lanka
4	Horizon Enterprises	No. 26 – A Jalan Scott, 50470, Brick Fields Kuala Lumpur, Malaysia
5	Karthik Krishnaswamy	28-3, Sri Impain Condominium, 38, Jalan Ang Seng, 50470 Brickfields, Kuala Lumpur Malaysia
6	Narumex Pte Limited	No. 18. Buffalo Road, Singapore -219788
7	Pernigaan Jasnika	2, Jalan Kovil Hilir Off. Jalan Ipoh 51100 Kuala Lumpur, Malaysia
8	Popular Screen Trading LLC	Shop No. 4 – 6, Ground Floor, Noman Abdul Qadir Building, Umm Tarafa, Sharjah, P.O. Box 25592.

Our Company has not entered into any MOU / agreement / technical tie-up / marketing tie-up with any agency outside India for the purpose of export-import.

### Exports

Being popular in Tamil Nadu and all over India, Olympic products have attracted markets abroad too. The Company exports their products such as Wedding Cards, Greeting cards, Visiting cards, Envelopes and Printing Inks to foreign countries such as Malaysia, Sri Lanka & Dubai.

### Country wise analysis of exports made by our company during last three years

(₹ in Lacs)

Name of Country	F.Y. 2008-09	F.Y. 2009-10	F.Y. 2010-11
Sharjah	27.47	14.34	23.10
Malaysia	14.56	4.68	0.78
Sri Lanka	4.75	1.46	1.79
Kuwait	0.96	NA	NA
Singapore	NA	3.05	4.04
Switzerland	NA	NA	0.07
Canada	NA	NA	0.20
London	NA	NA	0.22
<b>Total</b>	<b>47.74</b>	<b>23.53</b>	<b>30.20</b>

### Export Possibilities and Export Obligation

Our Company has 3 EPCG Licences and 2 Advance Licences. The details of which are as under:

**Details of EPCG**

Licence No.	Period		Total Export Obligation		Export Made (till December 31, 2011)		Outstanding Export Obligation (as on December 31, 2011)	
	From	To	USD	INR	USD	INR	USD	INR
0430003644	24.4.2006	23.4.2014	7,34,864.43	3,29,58,669.76	1,17,076.01	51,37,041.26	6,17,788.42	2,78,21,6283.50
0430005524	7.11.2007	6.11.2015	4,05,479.15	1,62,39,440.00	8,689.28	3,46,702.27	3,96,789.87	1,58,92,737.73
0430006764	22.10.2008	21.10.2016	2,09,296.32	97,84,602.96	-	-	2,09,296.32	97,84,602.96
<b>TOTAL</b>			13,49,639.90	5,89,82,712.72	1,25,765.29	54,83,743.53	12,23,847.61	5,34,98,969.19

**Details of Advance Licence\***

Licence No.	Period		Total Export Obligation		Export Made (till December 31, 2011)		Outstanding Export Obligation (as on December 31, 2011)	
	From	To	USD	INR	USD	INR	USD	INR
0410104787	25.5.2009	31.5.2011	41,115.00	20,66,028.75	35,515.77	16,53,064.12	5,599.23	4,12,964.63
0410105748	30.6.2009	30.6.2011	22,597.00	19,30,305.00	4,252.58	2,08,342.43	18,344.42	17,21,962.57
<b>TOTAL</b>			63,712.00	39,96,333.75	39,768.35	18,61,406.55	23,943.65	21,34,927.20

Note: The period to meet export obligation for these licences is for 36 months.

**Our Customers**

We classify our customer base in two categories namely wholesalers and retailers. We reach our retail customers through wholesalers as well as through direct sale from our show rooms.

**Competition**

The industry in which the Company operates continues to be dominated mainly by numerous unorganized small manufacturers. The customers until today have been purchasing wedding cards from small manufacturers and / or suppliers. Due to the unorganized nature of business, the industry is still facing the problem of compromising on quality, untimely deliveries and mundane ideas. Thus, the major challenge for the Company is to convince the customers that our Company is not affected by the drawbacks faced in the unorganized sector. The major competitors for our Company are M/s Menaka Cards and M/s Lovely Cards based at Chennai.

**Marketing Set up**

The Company's existing showrooms are located in the State of Tamilnadu and are as follows:

Sr. No.	Location
1.	Plot No. 195, N.S.C. Bose Road, Chennai – 600 001
2.	Door No. 23, New Door No. 53, Anderson Street, Chennai - 600001
3.	Plot No. 41, Door No. 10, 1 <sup>st</sup> Cross Street, United India Colony, Kodambakkam, Chennai – 600 024
4.	No. 162/1 Road, Thiruvannmiyur, Chennai – 600 041
5.	Old No. 29, New No. 47, North Usman Road, T. Nagar, Chennai – 600 017
6.	No. 957, Raja Street, Coimbatore – 641 001

## **Our Franchisees**

Our Company is continuously developing franchisees to market its products. Our company enters into franchisee agreements with these franchisees. Currently our company has five franchisees namely, M/s. Vasanthagiri Agencies, M/s. VSR Xerox, M/s. Keerthi Cards and Stationeries, M/s. S.K.M Wedding Cards and M/s. OOM Cards, all of the franchisees are located in Chennai.

Key features of our Franchisee Agreements are as under:

- Payment is on cash and carry basis
- Minimum purchase of goods worth ₹ 2,00,000/- per month
- Exclusive sale of products manufactured by the Company
- Submission of Monthly Sales Report to the company before 10<sup>th</sup> of every month

## **Marketing Strategy**

Invitation cards are purchased by everyone for all occasions. It is a tradition that has been time-tested and a matter of import and prestige when a person gives the specialized card to invite. In our country, where customs are followed and respect is given to people in a more formal manner, an invitation card is a must and is generally looked as a prestige by the inviter and the invitee.

Since 1992, the Company has developed a generous customer base and created goodwill amongst all its customers. Many customers have sentimental attachment with the Company and have developed a continued bond with us for around 2 decades. Olympic is proud to say that it has the largest network of marketing agents and franchisees in the organized sector as on date and our Founders' philosophy to satisfy individual customer needs while still catering to the mass market has been ensconced in the minds of all our agents and the marketing personnel, and Olympic promises to strive harder on these principles for years to come.

As per the current scenario, our Marketing strategies are tailored made based on customer needs and optimized on customer satisfaction. Olympic strives to spread the marketing net as wide as possible and to further its business goals by adopting ethical and honest business practices. Olympic is among the earliest companies to implement a franchisee model throughout South India. We also ensure that our stocks are frequently updated in terms of quality, design and latest consumer trends in all our retail outlets as well as franchisees. We also provide printing service to the customers so that their needs are solved under one roof.

We regularly advertise in TV Commercials, News Papers, Magazines and Cinema theatres. Apart from this, we also do promotional advertisements in tie up with some of the India's popular Matrimonial Websites. We have our products advertised in all Yellow Pages and Call on Demand Services in order to facilitate easy access to customers. We also have a Free SMS reminder service for our customers, where we send this reminder to their guests and also provide Toll Free numbers to call and get the detailed route to reach the place where the function is held.

## **Human Resources**

As on January 31, 2012, our Company has a total of 215 permanent employees.

## **Proposed**

The Company proposes to deploy more personnel for its proposed activities. Currently, the Company is planning to recruit 20 skilled employees and 80 semi-skilled employees as part of its expansion plans.

## **Intellectual Property Rights**

**Mr. H. Noor Mohamed**, the Promoter of our Company has obtained the trademark registration of the Logo "Olympic" for his proprietorship concern namely "Olympia Paper & Stationery Stores". Pursuant to the Licence Agreement dated April 01, 2010, Olympic Cards Limited is authorised to use the trademark for the products

manufactured by it. The consideration payable by Olympic Cards Limited shall be in the form of royalty which shall be nil (0) for the first five (5) years for developing the brand name and thereafter a sum equivalent to 2% of the sale value of the products sold by it. This agreement will be valid for a period of fifteen (15) years from the date of the agreement. For salient features of the agreement please refer section 'Other Agreements' on page 104 of this RHP.

By virtue of family arrangement between our promoter Mr. H. Noor Mohamed and his brother Late H. Salahudeen, the said trademark is also used by successors of Late H. Salahudeen.

As per the information available, Olympic Wedding Cards Private Limited is the only company owned by successors of Late H. Salahudeen which is also using the same trademark "Olympic". The aforesaid company is also engaged in the manufacturing and trading of Wedding Cards and other cards.

As and when any claim of interest, any circumstance of fraudulent practices, etc. arises / are identified, Mr. H. Noor Mohamed as the proprietor of M/s. Olympia Paper and Stationery Stores may take or initiate proper legal action as per law.

There are no operational constraints on the usage of trademark to our Company as we have executed an agreement with Mr. H. Noor Mohamed, proprietor of M/s. Olympia Paper and Stationery Stores, to use the said trademark. However, due to the use of the said trademark by other companies / entities, the revenue of our Company might be affected.

### Property

The details of land for the proposed new manufacturing facility are as follows:

Location of the Property	Date of Sale Deed	Area	Consideration paid (Amount in ₹)	Details of the Vendor	Nature of the title / Interest in the Property
No. 90, Kannigaiper Village, Uthukuttai Taluk, Thiruvallur District	May 26, 2010	5.65 acres	2,11,87,500	<b>Mr. A. Devaraj</b> , son of Ayya Nadar No. 4/136, Muthumariamman Koil Street, Mundiyanman Nagar, Padiyanallur Madura, Chennai – 600 052 Occupation: Business	Freehold Factory Land Registered in the name of our Company

Note:

Mr. A. Devaraj does not have any relationship either with any of the promoters or with the directors of our Company.

### Freehold Property

The details of freehold property held by us are as follows:

Sr. No.	Location of the Property	Date of Sale Deed	Area	Consideration paid (Amount in ₹)	Details of the Vendor	Nature of the title / Interest in the Property
1.	Plot No. 5, Vyasarpadi Co-operative Industrial Estate, Erukencherry High Road, Chennai –	April 30, 2003	5985 sq. ft.	50,165	<b>Mr. G. Daisy Paul Thankam</b> Special Officer appointed by the	Freehold Factory Land Registered in the name of

	600 039.				Govt. of Tamilnadu for the said property	our Company
2.	Old No. 21, New No. 54, Chinnathambi Street, George Town, Pedunaickenpet, Chennai – 600 001.	December 14, 2009	5556 sq. ft.	66,00,000	<p><b>1. Mr. E. J. Mohana Krishnan</b>, son of Late Janakirama Chetty Old No. 17, New No. 2, Sylvan Lodge Colony, Kilpauk, Chennai – 600 010 Occupation: Retired</p> <p><b>2. Mrs. M. Pankajam</b>, wife of M. Devendran 5/35, Mugappair East, J. J. Nagar, Chennai – 600 037 Occupation: House Wife</p> <p><b>3. Mrs. J. Shanthi</b>, wife of J. Radhakrishnan Q Block, Old No. 37, New No. 7, 17<sup>th</sup> Street, Annanagar, Chennai – 600 040 Occupation: House Wife</p> <p><b>4. Mr. E. Suresh Babu</b>, son of E. J. Mohanakrishnan Old No. 17, New No. 2, Sylvan Lodge Colony, Kilpauk, Chennai – 600 010 Occupation: Practicing Advocate</p>	Freehold Property for Godown Registered in the name of our Company
3	Plot No. 41, Old No. 10, New No. 25, 1 <sup>st</sup> Main Road, No.29, , 1 <sup>st</sup> Cross Street, United India Colony, Kodambakkam,	January 12, 2009	1726 sq. ft.	90,00,000	<b>M/s. Forsee Financial and Consultancy Services Pvt. Ltd.</b>	Freehold Property for Sales Outlet Registered in the name of

	Chennai – 600 024.				represented by its Director Mr. R. Kalyanaraman, son of C. R. Rajagopal Registered Office: No. 25, I Main Road, United India Colony, Kodambakkam, Chennai – 600 024	our Company
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Note:

1. None of the vendors mentioned above are related to any of the promoters or directors of our Company.
2. The above mentioned properties acquired by our Company are free from all the encumbrances and our Company has a clear title of the same.
3. No approvals are pending pertaining to the aforesaid land.

#### PROPERTIES RENTED OR LEASED BY THE COMPANY

Sr. No.	Details of the Lessor	Location of the Property	Date of Lease Agreement	Deposit Paid (In ₹)	Lease Amount	Lease Period	Area	Nature of the title / Interest in the Property
1	<b>M/s Olympic Plastic Products</b>	Plot No. 4, Vyasarpadi Co-operative Industrial Estate, Vyasarpadi, Chennai – 600 039	July 01, 2007	2,00,000	Monthly rent of ₹ 2000	Initially for a period of 5 Years, with an option for further renewal	1450 sq. ft. in ground and 1 <sup>st</sup> Floor	Rented Property for Factory
2	<b>Mr. H. Noor Mohamed</b> , son of Mr. N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Occupation: Business	No. 52, Malayaperumal Street, Chennai – 600 001	May 01, 2007	1,25,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal	1800 sq. ft. in 1 <sup>st</sup> , 2 <sup>nd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> Floor	Rented Property for Godown
3	<b>Mr. H. Noor Mohamed</b> , son of Mr. N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Occupation: Business	No. 9 Chinnatham bi Street, Chennai – 600 001	May 01, 2007	1,25,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal	800 sq. ft. in ground + 3 floors	Rented Property for Godown
4	<b>Mr. H. Noor Mohamed</b> , son of	No. 10 Chinnatham	May 01,	1,25,000	Monthly rent of ₹	Initially for a period of 5	600 sq. ft. in	Rented Property

	Mr. N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Occupation: Business	bi Street, Chennai – 600 001	2007		3000	Years, with an option for further renewal	ground + 3 floors	for Godown
5	<b>Mr. H. Noor Mohamed</b> , son of Mr. N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Occupation: Business	No. 957, Raja Street, Coimbatore- 641 001	May 01, 2007	83,000	Monthly rent of ₹ 3000	Initially for a period of 5 Years, with an option for further renewal	400 sq. ft.	Rented Property for Sales Outlet
6	<b>Mr. H. Noor Mohamed</b> , son of Mr. N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Occupation: Business	No. 195, N.S.C Bose Road, Chennai – 600 001	April 01, 2010	2,15,00,0 00*	Monthly Rent of ₹ 7500	Initially for a period of 5 Years and 11 months, with an option for further renewal	31780 sq. ft.	Rented Property for Sales Outlet and Registered Office
7	<b>1. Mrs. Uma Kumar</b> , wife of Dr. S. Kumar No. 35 (Old No. 12), T. T. K. Road, 1 <sup>st</sup> Cross Street, Alwarpet, Chennai – 600 018 Occupation: House Wife <b>2. Mrs. Rama Krishnan</b> , wife of Mr. S. Krishnan No. 11 (Old No. 6), Saraswathi Apartments, C. P. Ramaswamy Street, Alwarpet, Chennai – 600 018 Occupation: House Wife <b>3. Mr. C. S. Hariharan</b> , son of Mr. C. H. Subramanian Flat No. F-5, Hiranya Apartments, No. 80/67, Greenways Road Extension, R. A. Puram, Chennai – 600 028 Occupation: Practicing Chartered Accountant	No. 162/1 Road, Thiruvanniy ur, Chennai – 600 041	Decem ber 14, 2007	17,00,00 0	Monthly Rent of ₹ 2,01,250	Initially for a period of 5 Years, with an option for further renewal	About 8073 sq. ft.	Rented Property for Sales Outlet

	<b>4. Mr. C. S. V. Raman</b> , son of Mr. C. H. Subramanian No. 48 (Old No. 17), Balaji Nagar First Street, Royapettah, Chennai- 600 014 Occupation: Practicing Chartered Accountant <b>5. Mrs. Aarti Amarlal</b> , wife of Mr. Falgun Reddy F-121, Anna Nagar, Chennai – 600 040 Occupation: Business							
8	<b>1. Mr. R. Selvamani</b> , son of Mr. N. Ramanathan Old No. 50, New No. 103, Linghi Chetty Street, Chennai – 600 001 Occupation: Business <b>2. Mr. R. Murugadoss</b> , son of Mr. N. Ramanathan Old No. 50, New No. 103, Linghi Chetty Street, Chennai – 600 001 Occupation: Business	Old Door No. 23, New Door No. 53, Anderson Street, Chennai – 600 001	April 28, 2010	2,00,000	Monthly Rent of ₹ 15,000	Initially for a period of 5 Years, with an option for further renewal	2800 sq. ft. in ground, 1 <sup>st</sup> and 2 <sup>nd</sup> Floor	Rented Property for Sales Outlet
9	<b>Mr. B. Ramachandran</b> , son of Mr. N. Bakthavatchalu 2/27, First Cross Street, R. K. Nagar, Chennai – 600 028 Occupation: Service	Old No. 29, New No. 47, North Usman Road, T. Nagar, Chennai – 600 017	April 01, 2010	10,00,000	Monthly Rent of ₹ 85,000	Initially for a period of 6 Years, with an option for further renewal	Basement, Ground and Mezzanine Floor measuring about 4000 sq. ft.	Rented Property for Sales Outlet

\*The said property has been taken on lease by the Company from Mr. H. Noor Mohamed, Managing Director and Promoter of the Company vide an agreement dated April 01, 2010. The said property comprises of an area equivalent to 31,780 sft. The prevailing monthly rent in the said locality is around ₹50 per sft. which works out to an amount of ₹ 15,89,000 p.m. or ₹ 1,90,68,000 p.a. As the amount of rent worked out was very high, it was mutually decided to proceed with a higher amount of security deposit and a lower amount of rent.

**Note:**

Of the above, properties at Sr. Nos. 1 to 6 are rented from our promoter / entities promoted by our promoter. For further details on related party transactions, please refer to Page 147 of this RHP.

There are some properties which are due for renewal in the next few months. We do not foresee any problem in renewing the said properties, as majority of the said properties belong to our Promoters / Group Entities. Therefore, our Company has not made any alternate arrangements for the same.



### Insurance Policies

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with industry standards in the countries in which we operate:

Sr. No.	Name of the Insurance Company	Policy No. and Details	Period		Details	Sum Insured (In ₹)	Premium per annum (In ₹)
			From	To			
1	National Insurance Company Ltd.	500600/11/11/3100000484	September 23, 2011	September 22, 2012	Standard fire and Special Perils Policy for Building, and Stock(s) of Printing Press	1,49,50,000	24,116
2	National Insurance Company Ltd.	500600/11/11/3100000485	September 23, 2011	September 22, 2012	Standard fire and Special Perils Policy for Stock of Godown/Shop cum Godown	92,85,000	14,978
3	National Insurance Company Ltd.	500600/11/11/3100000486	September 23, 2011	September 22, 2012	Standard fire and Special Perils Policy for Building of Printing Press	55,00,000	8,873
4	National Insurance Company Ltd.	500600/11/11/3100000484	September 23, 2011	September 22, 2012	Vehicle Insurance Policy - TN-04-L-0585, LCV Mahindra - Goods Carrying Commercial Vehicle	1,23,892	7,604
5	National Insurance Company Ltd.	500600/31/11/6200003152	October 15, 2011	October 14, 2012	Vehicle Insurance Policy - TN04 AA 0723, Hero Honda CD Dawn	14,850	493
6	National Insurance Company Ltd.	500600/31/10/6200001854	July 31, 2011	July 30, 2012	Vehicle Insurance Policy - TN04 Q 8237, Hero Honda Passion Plus	19,000	521
7	National Insurance Company Ltd.	500600/31/11/6200002243	August 16, 2011	August 15, 2012	Vehicle Insurance Policy - TN04 AB 2053, Honda Activa New	19,698	528
8	National Insurance Company Ltd.	500600/31/11/6300003811	November 30, 2011	November 29, 2012	Vehicle Insurance Policy - TN04 Q 0317, Tata ACE Cab – Half Deck Load	1,20,000	11,703

					Body		
9	National Insurance Company Ltd.	500600/31/11/62000028447	September 25, 2011	September 24, 2012	Vehicle Insurance Policy - TN04 AB 3713, Maruti Zen Estilo VXi	1,98,000	5,801
10	National Insurance Company Ltd.	500600/31/11/6200002844	September 30, 2011	September 29, 2012	Vehicle Insurance Policy - TN04 AF 3610, TVS XL Super HD	19000	651
11	National Insurance Company Ltd.	500600/31/11/6200003534	November 09, 2011	November 08, 2012	Vehicle Insurance Policy - TN04 AF 5160, TVS XL Super HD	19000	706

## KEY INDUSTRY REGULATIONS

*The Companies in printing industry in India are subject to various regulations and policies as prescribed by the Government of India. Some of these regulations are given below to provide general information to the investors. The list is not exhaustive and is neither designed nor intended to be a substitute for professional legal advice.*

### 1. Labour Laws

India has stringent labour related legislation. Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872.

Some of these legislations which are significant for the conduct of the Company's business are summarized below:

#### i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It provides for the institution of provident funds and pension funds for employees in establishments, which employ more than 20 persons, and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". The funds constituted under these schemes consist of contributions from both the employer and the employees, in the manner specified in the statute. The EPFA prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

#### ii) Employees' State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits for employees or their beneficiaries in case of sickness, maternity, disablement and employment injury and to make provision for the same. It applies to, inter alia, seasonal power using factories employing ten or more persons and non-power using factories employing 20 or more persons. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed in the ESIA. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. The ESIA states that a principal employer, who has paid contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

#### iii) 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.

**iv) 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.

**v) Contract Labour (Regulation and Abolition) Act, 1970**

This legislation applies to every establishment in which twenty or more workmen are employed or were employed in the past twelve months as contract labour and to every contractor employing or having employed in the past twelve months twenty or more workmen. With the aim of regulating the employment of contract labour in certain establishments and to abolish it in certain circumstances the Government has appointed an authority to ensure adherence to the provisions of this Act.

**vi) 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/-.

**vii) 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.

**viii) Industrial Employment Standing Orders Act, 1946**

Every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner.

**ix) The Workmen's 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.

## **2. Tax Related Legislations**

### **i) Value 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.

### **ii) 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 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternate Tax and the like are also required to be complied with by every Company.

### **iii) Central Sales 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 Sales tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

### **iv) Service Tax Act, 1994**

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 are 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.

### **v) Export Promotion Capital Goods Scheme (EPCG Scheme)**

The EPCG Scheme allows import of capital goods for pre-production, production and post production at 5% customs duty subject to an export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of the license. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

### **vi) Foreign investment regulations**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, GoI, which is regulated by the FIPB. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a

Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. Presently, investments in companies such as the company fall under the RBI’s ‘automatic route’ for FDI/NRI investment of up to 100%.

**vii) Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

**Importer Exporter Code**

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

**3. Intellectual Property Rights**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides 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. In addition to the above domestic legislations, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organization is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement). In addition, Indian laws also provide for common law protection for intellectual property.

**Trade Marks Act, 1999 and the Trade Marks Rules, 2002**

This is an Act to amend and consolidate the law relating to trade marks, to provide for registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks.

The Trade Marks Rules, inter alia, provides for the procedure for registration of the Trade Marks application, its renewal, restoration, assignment and transmission. The Schedules to the said Rules provide for fees and forms for the said purposes and also lays down the classification of goods and services in which the goods and services are to be registered.

### **Shops and Establishments Legislations in various States**

Our Company will be governed by the State Shops and Establishments legislations, as applicable, in Tamil Nadu where it has stores. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

In respect of our goods and products that we manufacture and retail, our Company is required to comply with the provisions of the Standards of Weights and Measures Act, 1976 and the Rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977. A brief discussion of the said Acts is as follows:

#### **• Standards of Weights and Measures Act, 1976**

This is an Act 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 weights, measures or numbers and for matters incidental or connected thereto.

#### **• Standards of Weights and Measures (Enforcement) Act, 1985**

This is an Act for the enforcement of standards or weights and measures established by or under the Standards of Weights and Measures Act, 1976 and for matters incidental or connected thereto.

### **4. Environmental Legislations**

#### **i) Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act, 1981 was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control areas and has also prohibited the use of certain types of fuel and appliances. Prior written consent is required from the Pollution Control Board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

#### **ii) The Environment Protection Act, 1986 ("Environment Protection Act")**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation to provide a framework to Central Government for co-ordination of the activities involved with various central and state authorities established under various laws. The Environment Protection Act authorizes the Central Government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and / or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence, and be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

## HISTORY AND CORPORATE STRUCTURE

### History and Major Events

Our Company was originally incorporated as 'Olympic Business Credits (Madras) Private Limited' on April 21, 1992 under the Companies Act, 1956 at Chennai vide Certificate of Incorporation bearing Corporate Identification Number U65993TN1992PLC022521 issued by the Registrar of Companies, Tamil Nadu ('ROC'). Subsequently, the Company became a Public Limited Company and the name was changed to 'Olympic Business Credits (Madras) Limited' vide special resolution passed at the Extra Ordinary General Meeting held on 22.03.1995 and approved in terms of Section 44 read with 21/31 of the Companies Act, 1956 by the Central Government through Registrar of Companies, Chennai and fresh Certificate of Incorporation consequent to change in status issued on 31.10.1996. Further, the name of the Company was changed to 'Olympic Cards Limited' so as to reflect business activities of the company in the name of the company and a fresh Certificate of Incorporation was obtained from ROC on June 2, 1998.

### Changes in the registered office of our Company

Date of change	From	To	Reason for change
May 18, 2007	194, N.S.C Bose Road, Chennai – 600 001	195, N.S.C Bose Road, Chennai – 600 001	Need for increase in office space

### Major Events and Milestones

Year	Event
1992	Incorporation of the Company
1998	Name of the Company was changed to Olympic Cards Limited
1998-1999	Opening of first retail outlet in Chennai at 195, N.S.C Bose Road
1998-1999	Opening of second retail outlet in Chennai at 23, Anderson Street
1998-1999	Opening of first retail outlet at Coimbatore
1999-2000	Launch of the following new products: <ul style="list-style-type: none"> <li>Printed Thread Type Cards</li> <li>Daily Tear off, Monthly and Table Top Calendars</li> <li>Machine made envelopes</li> </ul>
2000-2001	Commencement of exports
2001-2002	The following new products were launched:- <ul style="list-style-type: none"> <li>Vergo Print Cards</li> <li>Political Leader's Cards</li> <li>Paper Carry Bags</li> </ul>
2003-2004	Purchase of land at Vyasarpadi Industrial Estate for the purpose of setting up of factory
2003-2004	Metallic Coated Cards was launched
2005-2006	Opening of third retail outlet in Chennai at Kodambakkam
2005-2006	Multi-Colour Card with Mat & Gloss Laminated Finish was launched
2007-2008	Opening of fourth retail outlet in Chennai at Thiruvananthapuram
2007-2008	Launch of the following new products: <ul style="list-style-type: none"> <li>Wedding Cards with Zari Powder Coating</li> <li>Cards with UV Coating</li> </ul>
2008-2009	Two new types of cards were launched:- <ul style="list-style-type: none"> <li>Scroll Type cards made up of Velvet Cloth</li> <li>Non-Woven Cards</li> </ul>
2009-2010	Opening of fifth retail outlet in Chennai at T. Nagar
2009-2010	Launch of the following new products: <ul style="list-style-type: none"> <li>Decorated Cards (with Materials such as Bindhi, Metal Stickers, Diamonds and other Ornaments)</li> </ul>



	<ul style="list-style-type: none"> <li>• Card embedded with Musical Chips containing pre-recorded slogans.</li> <li>• Box Type Cards containing Dry Fruits and Chocolates</li> </ul>
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For details regarding Capacity/facility creation, location of plant, products, marketing, competition etc. please refer “**Business Overview**” beginning on page no 71 of this RHP. For details regarding raising of Capital in the form of Equity please refer “**Capital Structure**” on page no 26 of this RHP. For details regarding Corporate profile of the issuer regarding its history, the description of the activities, services, products, market of each segment, the growth of the issuer, exports, Competition, management, the technology, market, managerial competence and capacity built-up etc., please refer to “**Business Overview**” and “**Our Management**” on page no 71 & 105 respectively of this RHP.

#### **Main Objects as set out in the Memorandum of Association of Our Company**

- To carry on the business of manufacturers, importers, exporters, dealers and retailers in all kinds, types and varieties of stationery, Wedding Cards, Invitations, Greeting Cards, Visiting Cards, Letters and any other products including of paper, plastic or of any kind of new material.
- To carry on the business of all kinds, types and varieties of printing and related areas.

#### **Amendments to our Memorandum of Association**

Sr. No.	Date of Amendment	Changes in Memorandum of Association of the Company
1	22.03.1995	Amendments due to conversion from Private Limited company to Public Limited Company
2	10.01.1997	Increase in Authorized Share Capital of the company from ₹ 10 Lacs to ₹ 2 Crores
3	13.05.1998	Alteration in the main object clause and consequent change in name to Olympic Cards Limited.
4	24.12.2007	Increase in authorized share capital from ₹ 2 Crores to ₹ 6 Crores
5	24.04.2008	Increase in authorized share capital from ₹ 6 Crores to ₹ 7 Crores
6	23.07.2010	Increase in authorized share capital from ₹ 7 Crores to ₹ 17 Crores

#### **Details regarding acquisition of business / undertakings, mergers and schemes of amalgamation**

No acquisitions of business / undertakings, mergers, amalgamation, revaluation of assets, etc. are made by our Company as on the date of filing of this RHP.

#### **Number of shareholders**

The number of members / shareholders of our Company are 121.

#### **Subsidiaries and holding company of our Company**

Our Company has neither a subsidiary nor a holding company as on date of filing of this RHP.

#### **Collaboration**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) (B) (1) (c) of Part A Schedule VIII of SEBI (ICDR) Regulations 2009.

#### **Shareholders Agreement**

There is no Shareholder’s Agreement as on date of filing of this RHP.

### Other Agreements

Except mentioned below and except the contracts / agreements entered into in the ordinary course of business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract preceding 2 years from the date of filing this RHP.

### Trademark Agreement

Date of Agreement	Parties to the Agreement	Consideration	Salient Features of the Agreement
April 01, 2010	<p>Licensors: Olympia Paper and Stationery Stores, represented by its Proprietor Mr. H. Noor Mohamed, 195, N.S.C Bose road, Chennai – 600 001.</p> <p>Licensee: Olympic Cards limited, a public company registered under the Companies Act, 1956</p>	<p>First Five Years- No royalty, a sum equal to 0% of the sale value of wedding cards, dairies and other items sold using trade marks.</p> <p>Thereafter - a sum equal to 2% of the sale value of the Wedding cards, dairies and other items sold using the trademarks of the licensor.</p>	<ol style="list-style-type: none"> <li>1. The agreement shall remain in force for a period of 15 (fifteen) years from the date hereof.</li> <li>2. The licensor grants to the licensee a license to manufacture the said goods as a job work by applying the said Trademarks.</li> <li>3. The ownership of the said Trademark will always remain with the Licensor and the Licensee will not pass off the goods as if he is the owner of the trademark.</li> <li>4. The licensee shall keep an account of the goods manufactured and sold to the licensor and the price received by him and royalty paid in respect thereof and such account shall be open to inspection by the Licensor from time to time. The licensor will also have the right to enter upon the premises of the licensee where the goods are manufactured and to take inspection of the goods manufactured.</li> <li>5. The Licensee may get himself registered as a registered user under the provisions of the Trademarks &amp; Merchandise Marks Act, 1958 subject to the terms of this agreement.</li> </ol>

#### Note:

As per the information available, Olympic Wedding Cards Private Limited is the only company owned by successors of Late H. Salahudeen which is also using the same trademark “Olympic”. The aforesaid company is also engaged in the manufacturing and trading of Wedding Cards and other cards.

As and when any claim of interest, any circumstance of fraudulent practices, etc. arises / are identified, Mr. H. Noor Mohamed as the proprietor of M/s. Olympia Paper and Stationery Stores may take or initiate proper legal action as per law.

There are no operational constraints on the usage of trademark to our Company as we have executed an agreement with Mr. H. Noor Mohamed, proprietor of M/s. Olympia Paper and Stationery Stores, to use the said trademark. However, due to the use of the said trademark by other companies / entities, the revenue of our Company might be affected.

### Strategic / Financial Partners

As on date of filing of this RHP our Company does not have any financial /strategic partners.

### OUR MANAGEMENT

As per the Articles of Association, our Company cannot have less than three Directors and more than twelve Directors. Our Company functions under the control of a Board, comprising of 6 Directors who set policy guidelines and other key managerial personnel who are responsible for day to day management of the Company.

The following table sets out the current details regarding our Board as on the date of the filing of this RHP:

<b>Name, Designation, Residential Address, Age, Occupation, DIN No.</b>	<b>Date of Appointment and Terms of Office</b>	<b>Qualification</b>	<b>Other Director ships</b>
Mr. H. Noor Mohamed (Managing Director) S/o Late N. M. Habibullah 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai - 600004 Age: 55 years Occupation: Business DIN: 00269456 Status: Executive and non-Independent Director	Appointed as Managing Director w.e.f. September 26, 2011 for a period of 3 years	B. Sc. (Mathematics)	NIL
Mrs. S. Jarina (Whole Time Director) W/o Mr. H. Noor Mohamed 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai - 600004 Age: 52 years Occupation: Business DIN: 00269434 Status: Executive and non-Independent Director	Appointed as Whole-Time Director w.e.f. September 26, 2011 for a period of 3 years	Diploma in Computer Applications	NIL
Mr. N. Mohamed Faizal (Whole Time Director) S/o Mr. H. Noor Mohamed 31, Dr. Radhakrishnan Salai, 9 <sup>th</sup> Street, Mylapore, Chennai – 600004 Age: 30 years Occupation: Business DIN: 00269448 Status: Executive and non-Independent Director	Appointed as Whole-Time Director w.e.f. December 01, 2007 for a period of 5 years	M.B.A. (HR)	NIL
Mr. Lakshmanan Ramanathan alias Lena Tamilvanan (Independent Director) S/o Ramanathan L.	August 24, 2000 liable to retire by rotation	M.A.	NIL

Name, Designation, Residential Address, Age, Occupation, DIN No.	Date of Appointment and Terms of Office	Qualification	Other Director ships
1481, Garden Avenue, Mohappair East Chennai – 600050 Age: 58 years Occupation: Service DIN: 00269439 Status: Non-Executive and Independent Director			
Mr. N.A. Ameer Ali (Independent Director) S/o Mr. N. N. Abdul Latif No.18A, Gandhi Nagar, Kodambakkam, Chennai – 600024 Age: 78 years Occupation: Retd. Army Serviceman DIN No: 02111528 Status: Non-Executive and Independent Director	August 11, 2005 liable to retire by rotation	M.A.	NIL
Dr. S. Amuthakumar (Independent Director) S/o Mr. Arunachalam Shanmugasundaram No.7, Noor Veerasamy Street, Nungambakkam, Chennai – 600034 Age: 56 years Occupation: Medical Practitioner DIN No. 03139309 Status: Non-Executive and Independent Director	July 23, 2010 liable to retire by rotation	M.B.B.S.	NIL

**Note:** None of the above mentioned Directors are on the RBI list of willful defaulters.

None of our Directors hold or has held any directorship(s) in any listed company whose shares have been / were suspended from being traded on the BSE / NSE in the past 5 years prior to the date of filing of draft offer document.

None of our Directors hold or has held any directorship(s) in any listed company which have been / were delisted from any of the Stock Exchanges.

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 under any order or directions made by SEBI.

*None of our 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 SEBI.*

*There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors were selected as a Director of our Company.*

*All the Directors of the Company are Indian nationals. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or member of the senior management.*

## **Brief Biography of Our Board of Directors**

### **Executive Directors**

**Mr. H. Noor Mohamed, B.Sc.**, is the Promoter & Managing Director looking after the entire management of the Company. He is presently the president of “Tamil Maanila Card Manufacturers’ Association”.

**Mrs. S. Jarina**, wife of Mr. H. Noor Mohamed, Whole Time Director has been actively involved with the Company for more than a decade and is the Marketing head of the Company. She has also been handling all the promotion and advertisement activities of the Company effectively with her vast experience and expertise.

**Mr. N. Mohamed Faizal, MBA (HR)**, son of Mr. H. Noor Mohamed, Whole Time Director, has been actively involved with this Company for more than 4 years. He has begun the process of networking and implementation of MIS reporting within the Company besides managing retail outlets. He has set up a human resource team within the Company.

### **Independent Directors**

**Mr. Lakshmanan Ramanathan (alias) Lena Tamilvanan, M.A.**, is an Assistant Editor of ‘Kumudam’ and ‘Kalkandu’ Tamil Weeklies. He is the Chairman of the Editorial Board of Manimekalai Prasuram consisting of 84 writers, which publishes 125 books every year. He is a visiting lecturer in journalism in many colleges in Chennai like Loyola, Pachaiyappa’s and Queen Mary’s.

He was appointed as Director of the Company on August 24, 2000 and has been a vital constituent of the Board of Directors with his independent status and valuable expertise in management, driving the Company towards success for more than a decade. He is also acting as a member of the Audit Committee, Remuneration Committee and Shareholder’s / Investor’s Grievance Committee of the Company.

**Mr. N. A. Ameer Ali, M.A.**, is a retired Principal of Dr. Zakir Husain College, Ilayangudi, Tamilnadu and used to inspect all the books of Accounts and approve them before the annual audit carried out by Government Officers and is currently working as a Special Officer in B. S. A. Rahman University in Chennai.

He was appointed as a Director of the Company by the board on August 11, 2005 and he has been constantly guiding the Company in various complicated junctures and is always offering valuable counsel in the Board meetings. With his Independent status, he is appointed as the Chairman of Audit Committee, Remuneration Committee and Shareholder’s / Investor’s Grievance Committee of the Company.

**Dr. S. Amuthakumar, M.B.B.S., M.C.I.P.**, a registered independent Medical Practitioner and a Family Physician, is practicing privately in Chennai over 25 years. He is a consultant in Dr. Mehta's Hospitals at Chennai and has visited many countries during the course of his practice. He is a Member of Advisory Committee (Chennai) of Ministry of New & Renewable Energy, Government of India, Member of the Board of Studies, University of Madras, Advisory Panel Member, Central Board of Film Certification (Chennai), Ministry of Information and Broadcasting, Government of India, Member of Indian Medical Association (Chennai) and Tamilnadu Medical Council.

He was appointed as a Director of the Company in its Annual General Meeting held on July 23, 2010 and is a member of the Audit Committee, Remuneration Committee and Shareholder's / Investor's Grievance Committee of the Company.

#### **Nature of Family Relationship among our Directors**

Mrs. S. Jarina is the wife of Mr. H. Noor Mohamed and Mr. N. Mohamed Faizal is the son of Mr. H. Noor Mohamed and Mrs. S. Jarina.

#### **Arrangements and understanding with major shareholders, customers, suppliers or others**

There are no arrangements or understanding with any of the major shareholders, customers, suppliers or others.

#### **Borrowing Powers of Our Board**

Pursuant to a resolution passed by our shareholders on August 27, 2010, in accordance with the provisions of Section 293(1)(d) and other applicable provisions (if any) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), our Board has been authorized to borrow from time to time any sum or sums of money which together with the monies already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves, i.e. reserves not set apart for any specific purposes, provided however that the sums so borrowed shall not exceed ₹ 250 Crores.

#### **Service Contracts**

There are no service contracts entered into by the Directors with our Company providing for benefits upon the termination of employment except as mentioned below.

#### **Remuneration of Our Directors**

##### **Terms and conditions of appointment of the Managing Director, Mr. H. Noor Mohamed:**

The terms and conditions of appointment of the Managing Director, Mr. H. Noor Mohamed vide special resolution passed at the Annual General Meeting of the Company held on September 22, 2011 is as under:

**Tenure:** 3 (Three) years (September 26, 2011 to September 25, 2014).

**The following remuneration is effective from September 26, 2011 for a period of three years:**

**Salary:** ₹ 75,000/- (Rupees Seventy Five Thousand Only) per month. Any increase in the salary resulting in the remuneration payable beyond the maximum ceiling, from time to time, under Schedule XIII shall be subject to the approval of members and/or such other approval, as may be required under the Act.

**Perquisites and Allowances:**

In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like concessional rent of ₹ 4,500/- per month. House Maintenance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursements, club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such rules, perquisites shall be valued at actual cost. Provision for the use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**Minimum Remuneration:** Notwithstanding anything to the contrary wherein in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

The terms and conditions of the said appointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Managing Director in accordance with Schedule XIII of the Companies Act, 1956 and any amendments made thereafter in this regard.

**Terms and conditions of appointment of the Whole Time Director, Mrs. S. Jarina:**

The terms and conditions of appointment of the Whole Time Director, Mrs. S. Jarina, vide special resolution passed at the Annual General Meeting of the Company held on September 22, 2011 is as under:

**Tenure:** 3 (Three) years (September 26, 2011 to September 25, 2014).

**The following remuneration is effective from September 26, 2011 for a period of three years:**

**Salary:** ₹ 70,000/- (Rupees Seventy Thousand Only) per month. Any increase in the salary resulting in the remuneration payable beyond the maximum ceiling, from time to time, under Schedule XIII shall be subject to the approval of members and/or such other approval, as may be required under the Act.

**Perquisites and Allowances:**

In addition to the salary payable, the Director shall also be entitled to perquisites and allowances like concessional rent of ₹ 4,500/- per month. House Maintenance together with reimbursement of expenses or allowances for utilities

such as gas, electricity, water, furnishings and repairs, medical reimbursements, club fees and leave travel concession for herself and her family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such rules, perquisites shall be valued at actual cost. Provision for the use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**Minimum Remuneration:** Notwithstanding anything to the contrary wherein in any financial year during the currency of the tenure of the Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

The terms and conditions of the said appointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Director in accordance with Schedule XIII of the Companies Act, 1956 and any amendments made thereafter in this regard.

**Terms and conditions of appointment of the Whole Time Director, Mr. N. Mohamed Faizal:**

The terms and conditions of appointment of the Whole Time Director, Mr. N. Mohamed Faizal, vide special resolution passed at the Extra Ordinary General Meeting of the Company held on November 29, 2007 is as under :

**Tenure:** 5 (Five) years (December 01, 2007 to November 30, 2012).

**The following remuneration is effective from December 01, 2007 for a period of five years:**

**Salary:** Maximum amount of ₹ 30,000/- (Rupees Thirty Thousand Only) per month. Any increase in salary resulting in the remuneration payable beyond the maximum ceiling, from time to time, under Schedule XIII shall be subject to the approval of members and/or such other approval, as may be required under the Act.

However, vide board resolution dated December 31, 2007, Mr. N. Mohamed Faizal has mutually consented with the Company for drawing a salary of ₹ 20,000 instead of ₹ 30, 000.

**Perquisites and Allowances:**

In addition to the salary payable, the Director shall also be entitled to House Rent Allowances @ 60% of Basic Salary. House Maintenance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursements, club fees and leave travel concession for himself and his family, medical insurance and such other perquisites and allowances in accordance with the rules of the Company.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such rules, perquisites shall be valued at actual cost. Provision for the use of



Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

**Minimum Remuneration:** Notwithstanding anything to the contrary wherein in any financial year during the currency of the tenure of the Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

The terms and conditions of the said appointment and / or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Director in accordance with Schedule XIII of the Companies Act, 1956 and any amendments made thereafter in this regard.

#### Terms and Conditions of Employment of Non-Executive Directors

We have not entered into any formal arrangements with our Non-Executive Directors. Our Non- Executive directors are liable to retire by rotation. There are no other payments made to them apart from their sitting fees for attending meetings of the Board or Committee and reimbursement of travelling and other incidental expenses, if any.

#### Changes in our Board of Directors in the last 3 years

Sr. No.	Name	Date of Appointment	Date of Cessation	Reasons for Appointment/ Resignation
1.	Mr. H. Noor Mohamed	September 26, 2011	-	Reappointed as Managing Director
2.	Mrs. S. Jarina	September 26, 2011	-	Reappointed as Whole-Time Director
3.	Dr. Ishari Kadhivelan Ganesh	-	March 31, 2010	Resigned due to Pre-Occupation
4.	Mr. Habibullah Durmohammed	-	March 31, 2010	Resigned due to Pre-Occupation
5.	Dr. S. Amuthakumar	July 23, 2010	-	Appointed as an Independent Director

#### Shareholding of Our Directors:

None of the Directors of our Company are required to hold any qualification shares by virtue of Regulation 90 of Articles of Association of the Company.

Sr. No.	Name of the Director	No. of Equity Shares held
1	Mr. H. Noor Mohamed	49,88,693
2	Mrs. S. Jarina	7,93,291
3	Mr. N. Mohamed Faizal	8,20,170
4	Mr. N. A. Ameer Ali	1,300
5	Mr. Lakshmanan Ramanathan (alias) Lena Tamilvanan	Nil
6	Dr. S. Amuthakumar	Nil
	<b>Total</b>	<b>66,03,454</b>

### Disqualification U/S 274 (1) (g) of the Companies Act, 1956

None of the Directors of the Company are disqualified as on the date of this report from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

### Interest of Our Directors

Except as stated in ‘Related Party Transactions’ beginning on page 147 of this RHP, and to the extent of compensation and / or commission, if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

All of the Directors may be deemed to be interested to the extent of any fees payable to them for attending meetings of the Board or a committee thereof and to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association, and remuneration paid to them for services rendered as an officer or employee of the Company. None of the Directors are entitled to receive remuneration from the Company except as disclosed in this RHP. For further details, see the paragraph “Remuneration of Our Directors” above.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them, any Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue or any equity shares held by them in any subsidiary. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Except as disclosed in ‘Related Party Transactions’ beginning on page no. 147 of this RHP, our Directors do not have any interest in any property acquired by the Company within two years prior to the date of filing of this Red Herring Prospectus.

### COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The provisions of the listing agreement to be entered into with the Stock Exchange with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange. Our Company has complied with the corporate governance code in accordance with Clause 49 (as applicable), particularly, in relation to appointment of independent Directors to our Board and constitution of the Audit Committee, the investor grievance committee and the remuneration committee. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchange.

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. There are 6 directors on our Board of which 3 i.e. 50% comprises of non-executive and independent Directors.

### Audit Committee

The Audit Committee was reconstituted at the meeting of the Board of Directors held on July 30, 2010 comprising of the following members:

Name of Director	Title	Status
Mr. N. A. Ameer Ali	Chairman	Independent Director
Mr. Lakshmanan Ramanathan (alias) Lena Tamilvanan	Member	Independent Director
Dr. S. Amuthakumar	Member	Independent Director

Mr. N. Gopalswamy, Company Secretary of the Company acts as the Secretary to the Audit Committee.

### Terms of Reference

The role of the Committee is as under:

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other service rendered by the auditors;
- (c) Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with legal requirements concerning financing statements
  - Any related party transactions i.e. transactions of the Company of material nature with the top management or their relatives, with shareholders with large holdings in the Company or their subsidiaries etc. that may have potential conflict with the interests of the Company at large;
  - Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
  - Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;
  - Reviewing the findings of any internal investigations by the internal auditors and where there is suspected fraud or irregularity or failure of internal control systems of a material nature reporting the matter to the Board;
  - Discussion with the external auditors, before the audit commences, on nature and scope of audit, as well as after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
  - The audit committee should invite such of the executives, as it considers appropriate (and particularly head of the finance function) to be present at the meeting of the Committee, but on occasions, it may also meet without the presence of any executives of the Company.

### Remuneration Committee

The Remuneration Committee was reconstituted on July 30, 2010 and comprise of the following Directors.

Name of Director	Title	Status
Mr. N. A. Ameer Ali	Chairman	Independent Director
Mr. Lakshmanan Ramanathan (alias) Lena Tamilvanan	Member	Independent Director
Dr. S. Amuthakumar	Member	Independent Director

Mr. N. Gopalswamy, Company Secretary of the Company acts as the Secretary to the Remuneration Committee.

### Terms of Reference

The terms of reference of the Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board regarding the compensation terms of the executive Directors.
- Framing and implementing on behalf of the board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive Directors including ESOP, Pension Rights and any compensation payment.
- Considering, approving and recommending to the Board the changes in designation and increase in salary of the executive Directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate Directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

### Shareholders' and Investors' Grievances Committee

The Company has reconstituted the Shareholders and Investors Grievances Committee on July 30, 2010. The Committee consists of the following Directors.

Name of Director	Title	Status
Mr. N. A. Ameer Ali	Chairman	Independent Director
Mr. Lakshmanan Ramanathan (alias) Lena Tamilvanan	Member	Independent Director
Dr. S. Amuthakumar	Member	Independent Director

Mr. N. Gopalswamy, Company Secretary of the Company acts as the Secretary to the Shareholders' and Investors' Grievances Committee.

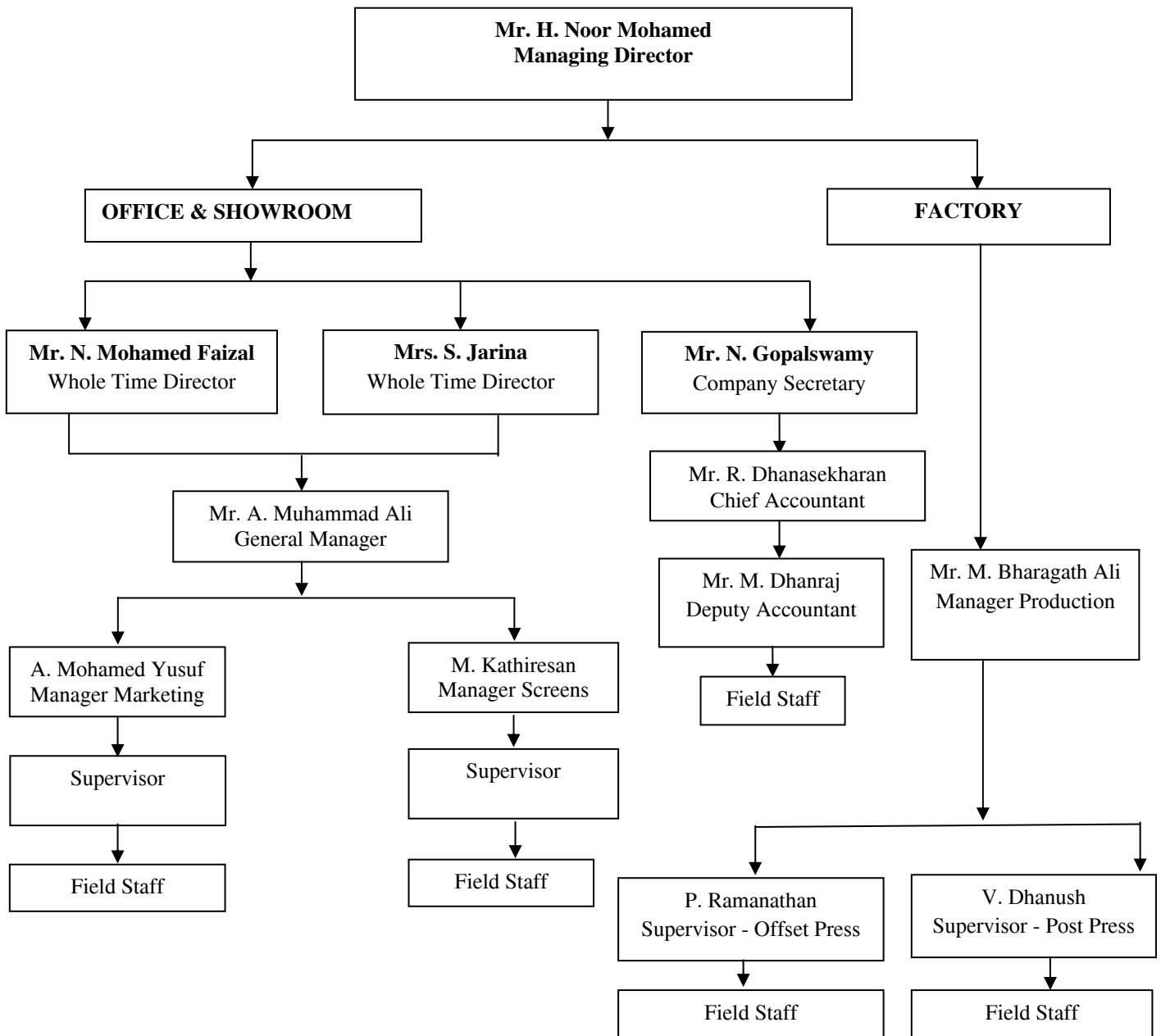
### Terms of Reference

The Shareholders'/Investors' Grievances Committee was constituted in order to redress the complaints of the shareholders and investors, related to transfer and transmission of shares, non-receipt of annual reports, dividends and other share related matters. The Committee also notes the requests made by the shareholders to the Registrar and Share Transfer Agent relating to transfer, transmission, consolidation, and replacement of share certificates, issue of duplicate certificates and dematerialization of share certificates. The Committee also reviews the certificates and reports submitted to the Stock Exchange under the Listing Agreement / ICDR Regulations. The Committee also observes the quarterly status of the number of shares in physical as well as dematerialized form. The Committee also reviews the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.

The scope and function of this Committee is to consider and review shareholders'/ investors' grievances and complaints and ensure that all shareholders' / investors' grievances and correspondences are attended to expeditiously and the Company has appointed Mr. N. Gopalswamy as Company Secretary and Compliance Officer, at its Board Meeting dated April 20, 2009, with immediate effect.

The Company also undertakes to comply with other requirements of clause 49 of the Listing Agreement to be entered into with the Stock Exchange.

## ORGANISATION CHART



## KEY MANAGERIAL PERSONNEL

Sr. No.	Name, Designation, Age	Qualification	Experience (In years)	Date of Joining	Functional Responsibility	Compensation paid during the last financial year (Amount in ₹)	Previous Employment
1	Mr. N. Gopalswamy, Company Secretary	FCS	32	April 20, 2009	Legal and Secretarial Compliances	1,20,000	M/s Stanpacks (India) Limited
2	Mr. A. Mohamed Ali, General Manager	Matriculate	22	March 01, 2000	Business Administration and Management	79,365	M/s Olympia Paper & Stationery Stores
3	Mr. M. Bharagath Ali, Manager (Production and Inventory)	Matriculate, Post Graduate Diploma In Computer Applications	16	June 01, 1997	Production and inventory management	1,80,952	M/s Olympia Paper & Stationery Stores
4	Mr. A. Mohamed Yusuf, Manager (Marketing)	B. Com	22	July 01, 2005	Marketing	47,032	M/s Olympia Paper & Stationery Stores
5	Mr. M. Kathiresan, Manager (Screens)	B. Sc.	24	June 01, 2005	Screening	47,032	M/s Olympic Offset Printers
6	Mr. R. Dhanasekharan, Chief Accountant	M. Com	18	April 01, 2005	Accounts and Finance	48,757	M/s Olympia Paper & Stationery Stores

## Brief Profile of the Key Managerial Personnel:

- **Mr. N. Gopalswamy**, 74, Company Secretary, is a Fellow Member of the Institute of Company Secretaries of India. He has wide experience of more than 30 years in handling legal and secretarial related matters. He is working with our Company since April 20, 2009 and has taken up the entire responsibility of our secretarial department.
- **Mr. A. Mohamed Ali**, 41, General Manager, has got 22 years of experience in Business Administration and Management of the Company. Prior to this he has worked with one of our group entities named M/s Olympia Paper & Stationery Stores for a period of around 10 years.

- **Mr. M. Bharagath Ali**, 34, Manager (Production and Inventory), has got 16 years of experience in the production and inventory management in our Company. Before working with our Company, he was employed with one of our group entities named M/s Olympia Paper & Stationery Stores for a period of little more than 2 years.
- **Mr. A. Mohamed Yusuf**, 42, Manager (Marketing), since joining has taken up the full fledged responsibility of marketing our products. He has also worked with M/s Olympia Paper & Stationery Stores for a period of 16 years.
- **Mr. M. Kathiresan**, 44, Manager (Screens), is a B.Sc. graduate from Arumugam Pillai Seethai Ammal College. He joined our Company in June, 2005 and has increased the sales of our Company to a great extent. Before this, he was working with M/s Olympic Offset Printers and has worked there for 18 years.
- **Mr. Dhanasekharan R**, 41, Chief Accountant, has completed his M. Com and is working with our Company for more than 6 years now. He is heading the Accounts and Finance Department of our Company. Prior to this he has also worked with M/s Olympia Paper & Stationery Stores for a period of around 12 years.

**Notes:**

- All the Key Managerial Personnel mentioned above are on the payroll of our Company as 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 Managerial Personnel mentioned above are not related parties as per the Accounting Standard 18.
- No benefit has been paid in kind to the Key Managerial Personnel during the last financial year and no contingent / deferred compensation has accrued to them for the last financial year.

**Shareholding of the Key Managerial Personnel**

Except as specified below, none of the Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name of the employee	Number of Equity Shares held
1	Mr. A. Mohamed Ali	28,600

**Relationship of the Key Managerial Personnel with our Promoters / Directors**

None of our Key Managerial Personnel are related to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act, 1956.

**Relationship of the Key Managerial Personnel with each other**

None of our Key Managerial Personnel are related to each other in any manner within the meaning of Section 6 of the Companies Act, 1956.

**Service Contracts**

There are no service contracts entered into by our Company with any of the Key Managerial Personnel providing for benefits upon the termination of employment / retirement.

### Bonus or profit sharing plan for Key Managerial Personnel

There is no specific bonus or profit sharing plan for the Key Managerial Personnel other than as may be decided by the Management.

### Changes in the Key Managerial Personnel during last three years

Name of the Key Managerial Personnel	Date of Joining	Date of Leaving	Reason For change
Mr. N. Gopalswamy	April 20, 2009	-	Appointment

There has been no change in the key managerial personnel of our Company otherwise than by way of retirement in the normal course, particularly of those in charge of production, planning, finance and marketing during the last three years prior to the date of this RHP with SEBI.

### Interest of Key Managerial Personnel

All our Key Managerial Personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company and to the extent of the Equity Shares held by them. Further, all employees may also be deemed to be interested to the extent of equity shares subscribed for and allotted to them out of the present issue, they will be deemed to be interested to the extent of their shareholding and / or dividends payable on the same. There exists no family relation between the Promoters / Directors and the Key Managerial Personnel.

### Payment or Benefit to Officers of our Company

Except for payment of salaries and annual bonus (if any) , neither we have paid any amount / given any benefit to any officer of our Company in a period of two years before the date of the RHP, nor we intend to pay / give any benefit to any officer of our Company.

### ESOP / ESPS to the employees

Presently, our Company does not have any ESOP / ESPS or other similar scheme giving options to our employees.


### Employees

The total number of permanent employees as of January 31, 2012 in the Company is 215.




## OUR PROMOTERS

### Mr. H. Noor Mohamed

	<b>Qualification</b>	B.Sc. (Mathematics)
	<b>Nationality</b>	Indian
	<b>Passport Number</b>	Z1744856
	<b>PAN</b>	AAEPN9214B
	<b>Voter ID Number</b>	KSV1519644
	<b>Driving Licence Number</b>	R/TN/07X/007295/2007

Mr. H. Noor Mohamed aged about 55 years, is a Science graduate. He is the Chairman and Managing Director of our Company and is managing all the business activities of the Company. He has an experience of more than 3 decades in the wedding card industry. In addition, he is presently the President of “Tamil Maanila Card Manufacturers’ Association”.

### Mrs. S. Jarina

	<b>Qualification</b>	Diploma in Computer Applications
	<b>Nationality</b>	Indian
	<b>Passport Number</b>	E 4208780
	<b>PAN</b>	ACWPJ8179R
	<b>Voter ID Number</b>	KSV2655991

Mrs. S. Jarina, the wife of Mr. H. Noor Mohamed, was born on January 06, 1960 and has been a Director of the Company for more than a decade. She has an experience of more than a decade in the wedding card industry. She is the Marketing Head of the Company and has been handling all the promotion and advertisement activities of the Company effectively with her vast experience and expertise.

### Declaration

We confirm that the Permanent Account Number, Passport Number, Voter ID Number, Driving Licence Number and Bank Account Number of our Promoters have been submitted to BSE at the time of filing of Draft Red Herring Prospectus.

Further, our Promoters have not been identified as wilful defaulters by RBI or any other Government authority and there is no violation of Securities Law committed by Promoter in the past or pending against them. Further, none of our Promoters have been prohibited from accessing the capital market and no order or direction has been passed by SEBI or any authority or are refused listing of any securities issued by such entity by any Stock Exchange, in India or abroad.

### **Relationship of Promoters with each other**

Our promoters are husband and wife.

### **Interest of our 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.

Our Promoters may be deemed to be interested to the extent of the equity shares held by them, their friends and relatives, and benefits arising from his holding Directorship / employment in our Company. They may also be deemed to be interested in the transactions entered into by our Company and the ventures where he is interested as a Promoter, Director or otherwise.

The Promoters are not interested in any property acquired by the Company within two years from the date of this RHP or proposed to be acquired. The promoters are not interested in any loan or advances given by the Company, neither are they beneficiaries of any such loan or advances except as disclosed elsewhere in this RHP and in the section on “Transactions with Related Parties” as stated in Annexure under the head Financial Statement beginning on page no 147 of this RHP. Save and except as stated above and as stated in the section titled “Our Management” beginning on page 105 of this RHP, our Promoters have no other interest in our Company.

### **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 RHP or is intended to be given by us except mentioned / referred to in this Chapter and in Page 147 under “Transactions with Related Parties”, under the Chapter “Financial Information” of this RHP.

## OUR PROMOTER GROUP AND GROUP ENTITIES

### Relatives of the Promoter that forms part of Promoter Group

Name of the Promoter	Relatives of the Promoter	Relationship
<b>Mr. H. Noor Mohamed</b>	S. Jarina	Wife
	N. Mohamed Saleem	Son
	N. Mohamed Faizal	Son
	N. Mohamed Iqbal	Son
	N. Mohamed Rizwan	Son
	N. Ashraf Ali	Son
	S. Fousilica	W/o N. Mohamed Saleem
	S. Sultana	W/o N. Mohamed Faizal
	A. Zehra Rumana	W/o N. Mohamed Iqbal
	Nihaal Mohamed S.	S/o N. Mohamed Saleem
	I. Ilhaan Afreen	D/o N. Mohamed Iqbal
	H. Farida	Sister
	H. Fowshya	Sister
	H. Jameela	Sister
	H. Zubaida	Sister
	S. Haroon El Rasheed	H/o H. Farida
	E. Hyder Ali	H/o Fowshya
	Saibullah	H/o Jameela
	A. Basheer Ahmed	H/o Zubaida
	A. Wahida Begam	W/o Late H. Salahudeen (Brother)
	Nahar	W/o Late H. Farook (Brother)
<b>Mrs. S. Jarina</b>	H. Noor Mohamed	Husband
	Zulaika Nachiyar	Mother
	N. Mohamed Saleem	Son
	N. Mohamed Faizal	Son
	N. Mohamed Iqbal	Son
	N. Mohamed Rizwan	Son
	N. Ashraf Ali	Son
	S. Fousilica	W/o N. Mohamed Saleem
	S. Sultana	W/o N. Mohamed Faizal
	A. Zehra Rumana	W/o N. Mohamed Iqbal
	Nihaal Mohamed S.	S/o N. Mohamed Saleem
	I. Ilhaan Afreen	D/o N. Mohamed Iqbal
	S. Haroon El Rasheed	Brother
	S. Kathiza Beevi	Sister
	Fathima Nachiyar	Sister
	Hasana Maraikar	H/o S. Kathiza Beevi
	S. Ahmed Gani	H/o S. Fathima Nachiyar
	H. Farida	W/o S. Haroon El Rasheed

### 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 “Transactions with Related Parties”, beginning on page 147 under Chapter titled “Financial Information” beginning on page no 127 of this RHP.

### GROUP ENTITIES

### **Partnership Firms**

#### **a. Olympic Paper Products**

<b>Date of Formation</b>	May 18, 2003
<b>Registered Office</b>	No.195, N.S.C. Bose Road, Chennai – 600 001
<b>Nature of Business</b>	The partnership firm is engaged in the business of trading in specific paper products such as napkins, kitchen rolls, disposable cups, plates, banana leaves, etc.

#### **Partners**

<b>Name of Partners</b>	<b>Profit Sharing</b>
Mr. H. Noor Mohamed	40%
Mr. N. Mohamed Faizal	30%
Mr. N. Mohamed Iqbal	30%

#### **Financial Information**

(₹ in Lacs)

<b>Particulars</b>	<b>For the year ended March 31, 2011</b>	<b>For the year ended March 31, 2010</b>	<b>For the year ended March 31, 2009</b>
Sales	333.38	486.81	372.92
Profit/(Loss) after Tax	6.04	7.42	2.82
Partners' Capital Account	34.88	27.06	(75.56)

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

#### **b. Olympic Plastic Products**

<b>Date of Formation</b>	April 18, 2004
<b>Registered Office</b>	No.195, N.S.C. Bose Road, Chennai – 600 001
<b>Nature of Business</b>	The partnership firm is engaged in manufacturing and trading of different kinds of disposable plastic products including cups, plates, spoons, etc.

#### **Partners:**

<b>Name of Partners</b>	<b>Profit Sharing</b>
Mr. H. Noor Mohamed	33.34%
Mr. N. Mohamed Saleem	33.33%
Mr. N. Mohamed Faizal	33.33%

**Financial Information**

(₹ in Lacs)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Sales	107.92	89.98	95.52
Profit/(Loss) after Tax	1.56	0.25	2.33
Partners' Capital Account	25.38	31.41	23.05

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the firm.

**Proprietorship Concern****c. Olympia Paper and Stationery Stores**

<b>Year of Establishment</b>	1962
<b>Proprietor</b>	Mr. H. Noor Mohamed
<b>Registered Office</b>	No.195, N.S.C Bose Road, Chennai - 600 001
<b>Nature of Business</b>	The proprietorship concern is engaged in the business of Diaries, Paper Boards and Files.

**Financial Information**

(₹ in Lacs)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Sales	200.12	224.09	141.23
Profit/(Loss) after Tax	(3.17)	3.40	6.17
Capital A/c	15.89	(3.23)	56.87

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**Trust****d. Olympic Habib Charitable Trust**

<b>Date of Establishment</b>	September 03, 1999
<b>Managing Trustee</b>	Mr. H. Noor Mohamed
<b>Registered Office</b>	No.195, N.S.C Bose Road, Chennai - 600 001



## Financial Information

(₹ in Lacs)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Trust Fund	10.06	10.12	7.82
Trust Income/Receipt	0.94	3.34	0.94
Surplus of Income over Expenditure	(0.05)	0.31	0.10

## COMMON PURSUITS

Two of the group entities namely M/s. Olympia Paper and Stationery Stores and M/s. Olympic Paper Products are trading in the products such as paper boards, paper napkins and paper plates similar to those of our Company. To that extent, we may have a potential conflict of interest between the said group entities and our Company. Other than this there are no other common pursuits in the business of our Company and our Group Entities. Further, we have not entered into any non-compete agreements or understanding with these entities. For further details, of the entities refer to the chapter titled “Group Entities” beginning on page 121 of the RHP.”

## Company/Firm from which the Promoters have disassociated themselves during preceding three years

The Promoters have not disassociated themselves during the 3 preceding years.

## Related Party Transactions

Please refer to “Transactions with Related Parties” under the chapter titled “Financial Information” on 146 of this Red Herring Prospectus.

## Sale or purchase exceeding 10% between companies in the Promoter Group

There are no sale or purchase transactions between our Company and Companies in the Group exceeding in value of 10% of the total sale or purchase of our Company except those transactions mentioned under “Transactions with Related Parties” beginning on page no 147 of this Red Herring Prospectus.

## Business Interest of our group entities in Our Company

None of our Group Entities have any business interest in our Company, except as detailed under the heading “Transactions with Related Parties”, beginning on page no. 147 under chapter titled “Financial Information” of this Red Herring Prospectus.

## Changes in Accounting Policies in the last three years

There has been no change in accounting policies in the last three years except as stated in the chapter titled “Financial Information” beginning on page no 127 of this Red Herring Prospectus.

## **CURRENCY OF PRESENTATION**

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

Throughout this Red Herring Prospectus, all figures have been expressed in Lacs, unless otherwise stated. The word “Lacs” or “Lac” means “100 thousand”. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

### DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company. The dividends declared by our Company in the past financial years have been presented below:

Particulars	For the Years Ended				
	2007	2008	2009	2010	2011
Face Value of Equity Share (per share)	10	10	10	10	10
Final Dividend on Equity Shares (₹)	11,65,929	23,42,536	30,24,931	31,65,322	38,13,079
Dividend Rate for equity shares (%)	9%	9%	5%	5%	5%
Equity Shares in Number	12,95,476	60,00,000	63,25,000	63,45,000	85,18,900
Share Capital Amount	1,29,54,760	6,00,00,000	6,32,50,000	6,34,50,000	8,51,89,000

The amount paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.



## SECTION VI - FINANCIAL STATEMENTS

### AUDITORS REPORT

To,  
The Board of Directors,  
Olympic Cards Limited,  
No.195, N.S.C Bose Road,  
Chennai – 600 001.

Dear Sirs,

Olympic Cards Limited, (“the Company”) proposed to make a public offering of its equity shares for cash. We have been requested by the Company to report on attached financial information, stamped and initialed by us for identification and prepared in accordance with the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the “Act”), the Securities and Exchange Board of India - (Issue of Capital & Disclosures Requirement) Regulation, 2009 (SEBI Regulation) and related clarifications issued thereof. The Financial information have been prepared by the Company and approved by the Board of Directors of the Company.

#### A ) Financial Information as per Audited Financial Statement

- 1 ) We have examined the attached Restated Statement of Assets and Liabilities of the Company for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007; (Annexure I); Restated Statement of Profits and Losses for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007; (Annexure II) and Restated Cash Flow Statement for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007; (Annexure III), together referred to as ‘Statements’.
- 2 ) We have considered the relevant financial statements in respect of the company as were audited by M/s. C S Hariharan & Co for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007.
- 3 ) Based on our examination of the above statements and the related Audit Reports and on the basis of the information and explanations given to us, we report that:
  - a) The aforesaid statements have been extracted from the audited financial statements as stated in 2 above as approved by Board of Directors and adopted by the shareholders in those respective years and have been restated with retrospective effect to reflect the significant accounting policies and significant notes adopted by the Company as at 31<sup>st</sup> December 2011, as stated vide Annexure IV to this report;
  - b) There are no incorrect accounting practices or failures to make provisions or other adjustments to restated accounts except for non-provision of Employee Benefits as per AS-15, issued by Institute of Chartered Accountants of India, during the financial years 31.03.2007 to 31.03.10, which resulted in audit qualifications for which adjustment or rectification required for those years only.
  - c) Material amounts relating to adjustments for previous years have been identified and adjusted in arriving at the profits of the year to which they relate;

- d) There are no qualifications in the auditors' reports except for non-provision of Employee Benefits as per AS-15, issued by Institute of Chartered Accountants of India, which require adjustment during the financial years 31.03.2007 to 31.03.10.
- e) The aforesaid statements have been restated to effect necessary changes for exceptional items, which have been disclosed separately in the statements in the years to which they relate.

Audit of the financial statements for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007, have been conducted by Company's Statutory Auditor, M/s C S Hariharan & Co. Further, the financial statements for the period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011 and 31<sup>st</sup> March 2010, have been re-audited by us as required under SEBI (ICDR) Regulations, 2009. This report, in so far as it relates to the amounts included for the financial statements for the Nine months period ended 31.12.2011 and years ended 31<sup>st</sup> March 2011, 31<sup>st</sup> March 2010, 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, and 31<sup>st</sup> March 2007, is based on the audited financial statements of the Company which were audited by the Statutory Auditor, M/s C S Hariharan & Co as applicable and whose Auditors' report has been relied upon by us for the said years.

#### **B ) Other Financial Information:**

We have also examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Annexures</b>
i.	Statement of Material Regrouping	V
ii.	Statement of Debtors	VI
iii.	Details of Loans and Advances	VII
iv.	Statement of Secured Loans	VIII
v.	Statement of Unsecured Loans	IX
vi.	Statement of Operating Income	X
vii.	Statement of Other Income	XI
viii.	Details of Contingent Liabilities	XII
ix.	Financial Ratios	XIII
x.	Capitalisation Statement	XIV
xi.	Statement of Tax Shelters	XV
xii.	Statement of Investments	XVI
xiii.	Transaction with the Related Parties & List of Related Parties	XVII and XVIII
xiv.	Statement of Segment Reporting	XIX
xv.	Statement of Dividend	XX
xvi.	Statement of Reserves	XXI

This Restated Financial Information is based on the Audited Financials which are approved by Board of Directors and Adopted by Members in these respective years.



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

**For G. Balu Associates**  
**Chartered Accountants**

**RAJA GOPALAN. B**  
Partner  
**M. No.: 217187**  
**Firm Reg No.: 000376S**  
**Peer Review: 002011**  
Place: Chennai  
Date: February 16, 2012

**Annexure I**  
**Summary of Statement of Assets and Liabilities as Restated**

(₹ in Lacs)

Particulars	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<b>A. Fixed Assets</b>						
Gross Block	1609.26	1,620.72	1,904.37	1,067.46	876.78	664.96
Less: Accumulated Depreciation	345.78	317.95	255.76	198.38	150.17	110.37
<b>Net Block</b>	<b>1263.47</b>	<b>1,302.77</b>	<b>1,648.61</b>	<b>869.08</b>	<b>726.61</b>	<b>554.59</b>
<b>B. Investments</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
<b>C. Current Assets, Loans and Advances</b>						
Inventories	1889.49	1,907.36	1,245.42	911.23	732.79	397.24
Sundry Debtors	28.41	32.90	20.46	35.67	46.78	54.18
Cash and Bank Balances	30.79	60.54	310.81	26.02	20.57	86.99
Loans and Advances	739.45	717.57	490.95	480.86	474.37	261.30
<b>TOTAL (C)</b>	<b>2688.13</b>	<b>2,718.36</b>	<b>2,067.64</b>	<b>1,453.78</b>	<b>1,274.51</b>	<b>799.71</b>
<b>D. TOTAL (A+B+C)</b>	<b>3951.65</b>	<b>4,021.18</b>	<b>3716.30</b>	<b>2322.91</b>	<b>2001.17</b>	<b>1354.35</b>
<b>Liabilities &amp; Provisions</b>						
<b>E. Loan Funds</b>						
Secured Loans	1510.46	1,623.32	1,829.37	941.99	875.74	758.01
Unsecured Loans	22.61	90.51	109.19	140.23	57.99	74.97
<b>TOTAL (E)</b>	<b>1533.07</b>	<b>1,713.82</b>	<b>1,938.55</b>	<b>1,082.21</b>	<b>933.74</b>	<b>832.98</b>
<b>F. Current Liabilities and Provisions</b>						
Current Liabilities	620.78	762.77	656.78	405.39	349.11	225.40
Provisions	428.96	312.00	202.43	93.53	53.04	21.20
<b>TOTAL (F)</b>	<b>1049.75</b>	<b>1,074.77</b>	<b>859.21</b>	<b>498.92</b>	<b>402.15</b>	<b>246.60</b>
<b>G. Deferred Tax Liability</b>	121.11	128.57	92.71	11.80	10.63	10.98
<b>H. TOTAL (E+F+G)</b>	<b>2703.93</b>	<b>2,917.16</b>	<b>2,890.47</b>	<b>1,592.93</b>	<b>1,346.52</b>	<b>1,090.56</b>
<b>Net Worth (D-H)</b>	<b>1247.73</b>	<b>1,104.02</b>	<b>825.83</b>	<b>729.98</b>	<b>654.66</b>	<b>263.79</b>
<b>Represented by :</b>						
<b>Shareholders' Funds</b>						
Capital	851.89	851.89	634.50	632.50	600.00	129.55
Reserves and Surplus	395.84	252.13	191.33	98.92	56.46	136.48
Miscellaneous Expenditure to the extent not written off or adjusted			-	(1.44)	(1.80)	(2.24)
<b>Net Worth</b>	<b>1247.73</b>	<b>1,104.02</b>	<b>825.83</b>	<b>729.98</b>	<b>654.66</b>	<b>263.79</b>

**Annexure II**  
**Summary of Profit and Loss Account as Restated**

(₹ in Lacs)

Particulars	For the period ended December 31, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>INCOME</b>						
Sales						
<b>Manufactured Goods</b>						
Domestic	1882.78	3,221.27	2,627.89	2,148.57	1,682.83	1,436.48
Export	10.15	8.57	15.67	25.94	40.73	36.50
<b>Traded Goods</b>						
Domestic	1370.81	593.65	481.05	447.04	284.80	223.56
Export	0.20	21.56	7.89	20.42	-	-
	<b>3263.94</b>	<b>3,845.05</b>	<b>3,132.50</b>	<b>2,641.97</b>	<b>2,008.36</b>	<b>1,696.54</b>
Other Income	26.43	65.06	19.90	17.16	10.34	5.23
Increase / (Decrease) in Stock	(17.87)	661.93	334.19	178.44	335.55	(158.05)
<b>TOTAL INCOME</b>	<b>3272.51</b>	<b>4,572.04</b>	<b>3,486.60</b>	<b>2,837.57</b>	<b>2,354.25</b>	<b>1,543.72</b>
<b>EXPENDITURE</b>						
Operating Expenses	2471.93	3,497.81	2,674.17	2,388.33	1,973.11	1,276.09
Administration, Selling and other Expenses	205.76	272.78	192.14	130.47	102.49	87.85
Loss / (Profit) on Sale of Assets	36.50	-	3.29	3.76	1.65	0.23
Depreciation and Amortization	48.47	64.18	59.54	49.84	42.03	30.24
Personnel Expenses	70.38	90.75	56.57	29.33	14.53	14.65
Finance Charges	149.96	286.70	182.67	136.25	123.95	88.87
<b>TOTAL EXPENDITURE</b>	<b>2983.00</b>	<b>4,212.23</b>	<b>3,168.38</b>	<b>2,737.98</b>	<b>2,257.76</b>	<b>1,497.93</b>
<b>PROFIT BEFORE TAX &amp; PRIOR PERIOD ITEMS</b>	<b>289.51</b>	<b>359.81</b>	<b>318.22</b>	<b>99.59</b>	<b>96.50</b>	<b>45.79</b>
Provision for Taxation						
- Current Tax	103.59	105.29	108.02	20.57	19.92	3.17
- Deferred Tax Liability	(7.46)	35.86	80.90	1.18	-0.36	8.35
<b>PROFIT AFTER TAX &amp; BEFORE PRIOR PERIOD ITEMS</b>	<b>193.38</b>	<b>218.66</b>	<b>129.30</b>	<b>77.85</b>	<b>76.93</b>	<b>34.28</b>
Prior Period Items	-	-	-	-	-	-
<b>PROFIT AFTER TAX</b>	<b>193.38</b>	<b>218.66</b>	<b>129.30</b>	<b>77.85</b>	<b>76.93</b>	<b>34.28</b>
Profit brought forward from earlier years	149.49	180.88	96.43	56.46	58.31	42.25
<b>PROFIT AVAILABLE FOR</b>	<b>342.87</b>	<b>399.54</b>	<b>225.73</b>	<b>134.31</b>	<b>135.24</b>	<b>76.52</b>

<b>APPROPRIATION</b>						
Proposed Dividend Final	42.59	38.13	31.65	30.25	23.43	11.66
Dividend Tax (including Surcharge)	7.07	6.33	5.24	5.14	3.98	1.98
Transfer to General Reserve	7.24	9.00	7.96	2.49	9.65	4.58
Issue of Bonus Shares	-	196.59	-	-	41.72	-
<b>SURPLUS / (DEFICIT) CARRIED TO BALANCE SHEET</b>	<b>285.96</b>	<b>149.49</b>	<b>180.88</b>	<b>96.43</b>	<b>56.46</b>	<b>58.30</b>

**Annexure III**  
**Summary Statement of Cash Flow as Restated**

(₹ in Lacs)

Particulars	As at December 31, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
PBT	289.51	359.81	318.22	99.59	96.50	45.79
Add: Depreciation and Amortization	48.47	64.18	59.54	49.84	42.03	30.24
Add: Interest	147.63	241.19	154.99	132.15	101.66	86.82
Add: Loss on Sale of Assets	36.50	0.19	3.29	3.76	1.65	0.23
Less: Profit on Sale of Asset	-	(39.49)	-	-	-	-
EBIDTA	522.10	625.89	536.04	285.34	241.84	163.08
(Inc)/Dec in Inventory	17.87	(661.93)	(334.19)	(178.44)	(335.55)	158.05
(Inc)/Dec in Sundry Debtors	4.49	(12.44)	15.21	11.11	7.40	(12.14)
(Inc)/Dec in Loans & Advances	(6.55)	(23.56)	(3.47)	13.97	(192.10)	(5.74)
Inc/(Dec) in Current Liabilities	(141.99)	105.99	251.40	56.28	123.70	(32.19)
Inc/(Dec) in Provisions	8.17	(3.29)	4.30	11.94	5.71	(2.86)
Change in WC requirement	(118.01)	(595.24)	(66.75)	(85.13)	(390.84)	105.12
Cash from Operations	404.10	30.65	469.29	200.20	(149.00)	268.20
Taxes paid	(15.34)	(203.05)	(11.54)	(20.47)	(21.00)	(3.95)
<b>Net Cash Flow from Operations Activities</b>	<b>388.76</b>	<b>(172.40)</b>	<b>457.75</b>	<b>179.74</b>	<b>(170.01)</b>	<b>264.25</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
(Purchase) / Sale of Fixed Assets	(45.67)	320.95	(840.92)	(195.71)	(222.77)	(209.24)
(Purchase) / Sale of Investments			-	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(45.67)</b>	<b>320.95</b>	<b>(840.92)</b>	<b>(195.71)</b>	<b>(222.77)</b>	<b>(209.24)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Increase / (Decrease) in Proceeds from Issue of Equity Shares	-	104.00	2.00	32.50	340.90	22.75
Proceeds / (Repayment) of Borrowings	(180.75)	(224.73)	856.34	148.48	100.76	47.45
Interest Paid	(147.63)	(241.19)	(154.99)	(132.15)	(101.66)	(86.82)
Dividend Paid	(38.13)	(31.65)	(30.25)	(23.43)	(11.66)	(8.54)
Dividend Tax Paid during the year	(6.33)	(5.24)	(5.14)	(3.98)	(1.98)	(1.20)
<b>Net Cash Flow from Financing Activities</b>	<b>(372.85)</b>	<b>(398.82)</b>	<b>667.96</b>	<b>21.42</b>	<b>326.37</b>	<b>(26.37)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents during the year</b>	<b>(29.75)</b>	<b>(250.27)</b>	<b>284.79</b>	<b>5.45</b>	<b>(66.42)</b>	<b>28.64</b>

Cash and Cash Equivalents at the beginning of the year	60.54	310.81	26.02	20.57	86.99	58.34
Cash and Cash Equivalents at the end of the year	30.79	60.54	310.81	26.02	20.57	86.99

**Annexure IV****NOTES ON ADJUSTMENTS AND SIGNIFICANT ACCOUNTING POLICIES FOR RESTATED FINANCIAL STATEMENTS****1. Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous years.

**2. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**3. Fixed Assets**

- i) Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.
- ii) Borrowing Costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for its intended use are capitalised as part of the cost of qualifying asset when it is possible that they will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**4. Depreciation**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher, as follows:-

Asset	Rate (SLM)
Building	3.34%
Office Equipments	6.33%
Furniture & Fittings	6.33%
Plant & Machinery	4.75%
Non – Commercial Vehicles	9.50%
Computers and Accessories	16.21%

Assets individually costing ₹ 5,000 or less are fully depreciated in the year of purchase.



## 5. Inventories

- i) Inventories are valued at the lower of cost or net realisable value.
- ii) Cost includes all direct costs and applicable production overheads in the case of finished goods and work in progress, incurred in bringing such inventories to their present location and condition. Cost also includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from taxing authorities.
- iii) Raw materials, bought out items, consumables and stores and spares are valued at lower of weighted average cost and net realisable value.
- iv) Finished Goods are valued at lower of cost and net realizable value.

## 6. Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 7. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight line basis over the lease term.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss. Initial Direct Costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

## 8. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

## 9. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Sales Income

Income from sale of Invitation cards is booked based on agreements/arrangements with the concerned parties.

### Interest Income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## **10. Foreign Currency Transactions**

### Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Conversion

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost, denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### Exchange differences

Exchange differences, in respect of accounting periods commencing on or after 7<sup>th</sup> December 2006, arising on reporting of long term foreign currency monetary items, at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

Exchange differences arising on the settlement of monetary items are not covered above; or on reporting company's monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## **11. Retirement and other employee benefits**

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.
- ii. Upto the 31<sup>st</sup> March 2010 Gratuity has been accounted on payment basis. With effect from the Financial Year 2010-11, the above procedure has been changed and a Master policy has been taken with the LIC of India and the premium is debited to the annual P&L account every year. The settlement of gratuity is done by the LIC of India.
- iii. The company has adopted the above new accounting policy with effect from 01.04.2010 and there was no retirement for the above period. The company has paid an amount of ₹ 11,49,168/- to LIC of India for covering the employees for the Gratuity payable by the company up-to 31-03-2011 and a further sum of ₹ 69,477 for the period ended 31-12-2011. If the old accounting policy has been followed the debit to the P&L account for the year 2010-11 would have been less by ₹ 11,49,168/- and for the period ended 31-12-2011 the debits to the P&L account would have been less by ₹ 69,477/-, and the profits would have been more for the respective years/periods by the above said amount. The above accounting policy is in line with AS 15.

- iv. Short term compensated absences are provided for based on estimates.
- v. Actuarial gains/losses are immediately taken to the profit & loss account and are not deferred.

## 12. Miscellaneous Expenditure

Actuarial gains/losses are immediately taken to the profit & loss account and are not deferred.

## 13. Income Taxes

Tax expense comprises current tax, deferred tax and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## 14. Segment Reporting Policies

The Company primarily operates in a single business segment, 'Manufacturing of Invitation Cards', within India and hence does not require any separate segment reporting policies.

## 15. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## 16. Securities provided against loan facilities from the banks

- a) The Rupee Term Loan from Bajaj Auto Finance Limited for modernization/expansion amounting to ₹ 1,11,892,598/- are secured by a *pari passu* first charge by way of hypothecation of four immovable properties located at Parrys, Mylapore, Chennai.

- b) The Rupee Term Loan from HDB Financial Services Limited for modernization/expansion amounting to ₹ 92,49,798/- are secured by a *pari passu* first charge by way of hypothecation of an immovable property at Kodambakkam, Chennai.
- c) The Rupee Term Loan from India Infoline Housing Finance Limited for modernization/expansion amounting to ₹ 1,56,77,208.11/- are secured by a *pari passu* first charge by way of hypothecation of an immovable property at No,4 Badrian Street, Ch – 1, & No.54,Chinnathambi Street Chennai.
- d) The Rupee Term Loan from City Union Bank Limited for modernization/expansion amounting to ₹ 32,53,712/- are secured by a *pari passu* first charge by way of hypothecation of an immovable property at Plot 4&5, VCIE, Vyasarpadi, Chennai.-39.
- e) The Rupee Overdraft from City Union Bank Limited for modernization/expansion amounting to ₹ 1,09,72,886.62/- are secured by a *pari passu* first charge by way of hypothecation of an immovable property at Plot 4&5, VCIE, Vyasarpadi, Chennai-39.

#### 17. Earnings of Foreign Currency (Cash Basis)

Particulars	(₹ in Lacs)					
	Period Ended December 31, 2011	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Sales (Cash Basis)	Nil	16.36	22.42	43.43	35.84	31.71
Realisation of Debtors	-	-	-	3.05	4.9	4.79

#### 18. Expenditure in Foreign Currency (Cash Basis)

Particulars	(₹ in Lacs)					
	Period Ended December 31, 2011	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Purchase of Materials	-	-	17.75	14.56	-	-
Purchase of Machinery	-	-	47.10	55.06	129.52	149.04
Other Expenses (such as Travelling, etc.)	-	-	-	3.57	-	4.25

#### 19. Auditor's Remuneration

Particulars	(₹ in Lacs)					
	Period Ended December 31, 2011	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Statutory Audit	-	1.58	1.10	0.85	0.70	0.70
Tax Audit	-	0.25	0.15	0.15	0.15	0.15
	-	-	-	-	-	-
<b>TOTAL</b>	-	1.75*	1.25*	1.00*	0.85*	0.85*

\*Excludes Service Tax

**20. Directors' Remuneration**

(₹ in Lacs)

Particulars	Period Ended December 31, 2011	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
<u>Whole Time Directors Remuneration</u>						
Salaries and Allowances	9.45	12.60	19.80	19.80	19.80	19.80
<u>Non - Whole Time Directors Remuneration</u>						
Sitting Fees	0.09	0.09	-	-	-	-
<b>TOTAL</b>	<b>9.54</b>	<b>12.69</b>	<b>19.80</b>	<b>19.80</b>	<b>19.80</b>	<b>19.80</b>

**21. Components of Deferred Tax**

(₹ in Lacs)

Particulars	Dec 2011	2011	2010	2009	2008	2007
	Liability / (Asset)	Liability / (Asset)	Liability / (Asset)	Liability / (Asset)	Liability / (Asset)	Liability / (Asset)
Difference between written down value of assets as per books of accounts and Income Tax Act	364.57	387.02	272.74	229.4	193.82	160.04
<b>Net Deferred Tax Liability</b>	<b>121.11</b>	<b>128.56</b>	<b>92.71</b>	<b>11.8</b>	<b>10.63</b>	<b>10.98</b>

22. We confirm that all the Notes to the Accounts, Significant Accounting Policies and Auditors Qualifications have been incorporated.

23. We confirm that there are no other material notes to the Auditors Report which has financial bearing on our company

**Annexure – V****Statement of Material Regroupings - Inter Head - Balance Sheet and Profit and Loss A/c**

(₹ in Lacs)

Sl. No.	Particulars	For the years ended			
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b>1</b>	<b>Secured Loans</b>				
	As per Audited Balance Sheet	1,765.22	872.91	802.59	-
	ADD: Citibank Term Loan, <i>earlier shown under Unsecured Loans</i>	-	69.08	73.15	-
	As per Restated Balance Sheet	1,829.36	941.99	875.74	-
<b>2</b>	<b>Unsecured Loans</b>				

	As per Audited Balance Sheet	173.33	209.31	131.15	-
	LESS: Citibank Term Loan, <i>now shown under Secured Loans</i>	(64.14)	(69.08)	(73.15)	-
	As per Restated Balance Sheet	109.19	140.23	58.00	-
<b>3</b>	<b>Cash and Bank Balance</b>				
	As per Audited Balance Sheet	-	14.19	9.69	76.43
	ADD: Deposits with Bank, <i>earlier shown under Loans and Advances</i>	-	11.83	10.88	10.55
	As per Restated Balance Sheet	-	26.02	20.57	86.98
<b>4</b>	<b>Loans and Advances</b>				
	As per Audited Balance Sheet	-	492.7	485.25	271.86
	LESS: Deposits with Bank, <i>shown under Advances with Govt and Public Bodies - now shown under Cash and Bank Balances</i>	-	(11.83)	(10.88)	(10.55)
	As per Restated Balance Sheet	-	480.87	474.37	261.31
<b>5</b>	<b>Operating Expenses</b>				
	As per Audited Profit and Loss Account	-	-	-	1,434.14
	LESS: Opening Stock, <i>now shown separately</i>	-	-	-	(555.29)
	ADD: Closing Stock, <i>now shown separately</i>	-	-	-	397.24
	As per Restated Profit and Loss Account	-	-	-	1,276.09

#### Notes for Material Re-groupings

- 1) Upto Financial Year 2007-08, 'Loan from Citibank' was shown as a part of 'Unsecured Loans'. The Loan has been reclassified under 'Secured Loans' for the financial year ended 31st March 2010, 31st March 2009 and 31st March 2008, and shown accordingly.
- 2) Upto Financial Year 2008-09, 'Deposits with Banks' was shown as a part of 'Advances with Govt and Public Bodies' under 'Loans and Advances'. From Financial Year 2009-10, the Company has shown the amount under the head 'Cash and Bank Balances'.
  - a. Out of ₹ 26.16 Lacs in 'Advances with Govt and Public Bodies', ₹ 23.50 Lacs being 'Deposits with Banks' has been show under the head 'Cash and Bank Balances' and the balance of ₹ 2.66 Lacs (being Telephone, Electricity and Other Deposits) is retained under the head 'Loans and Advances'.
  - b. Out of ₹ 14.03 Lacs in 'Advances with Govt and Public Bodies', ₹ 10.55 Lacs being 'Deposits with Banks' has been show under the head 'Cash and Bank Balances' and the balance of ₹ 3.48 Lacs (being Telephone, Electricity and Other Deposits) is retained under the head 'Loans and Advances'.

- c. Out of ₹ 14.78 Lacs in 'Advances with Govt and Public Bodies', ₹ 10.88 Lacs being 'Deposits with Banks' has been shown under the head 'Cash and Bank Balances' and the balance of ₹ 3.90 Lacs (being Telephone, Electricity and Other Deposits) is retained under the head 'Loans and Advances'.
- d. Out of ₹ 16.00 Lacs in 'Advances with Govt and Public Bodies', ₹ 11.83 Lacs being 'Deposits with Banks' has been shown under the head 'Cash and Bank Balances' and the balance of ₹ 4.17 Lacs (being Telephone, Electricity and Other Deposits) is retained under the head 'Loans and Advances'.
- 3) Upto Financial Year 2006-07, 'Increase / Decrease in Inventory' comprising of difference between Opening and Closing Stock was shown as a part of 'Operating Expenses'. From the Financial Year 2007-08, the Company has changed the policy and shown the amount under a separate head 'Increase / Decrease in Inventory'. The summary statement of Profit and Loss Account as restated for the financial year ended 31<sup>st</sup> March 2007, 31<sup>st</sup> March 2006, has been reclassified and shown accordingly.
- 4) Upto Financial Year 2008-09, 'Interest Charges' was shown as a part of 'Administration, Selling and Other Expenses'. From the Financial Year 2009-10, the Company has changed the policy and shown the amount under the head 'Finance Charges'. The summary statement of Profit and Loss Account as restated for the financial year ended 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, 31<sup>st</sup> March 2007, 31<sup>st</sup> March 2006, has been reclassified and shown accordingly.
- 5) Upto Financial Year 2008-09, 'Sales Tax', 'Service Tax' and 'Income Tax' Paid were shown separately under the head 'Administration, Selling and Other Expenses'. From the Financial Year 2009-10, the Company has changed the policy and shown the amounts grouped along with 'Rates and Taxes', under the same head. The summary statement of Profit and Loss Account as restated for the financial year ended 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2008, 31<sup>st</sup> March 2007, 31<sup>st</sup> March 2006, has been reclassified and shown accordingly.
- 6) Upto Financial Year 2007-08, 'Legal Charges' was shown separately under the head 'Administration, Selling and Other Expenses'. From the Financial Year 2008-09, the Company has changed the policy and shown the amount grouped along with 'Professional Charges', under the same head. The summary statement of Profit and Loss Account as restated for the financial year ended 31<sup>st</sup> March 2008, 31<sup>st</sup> March 2007, 31<sup>st</sup> March 2006, has been reclassified and shown accordingly.

#### Annexure VI Statement of Debtors

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b>Receivables</b>						
<b>a) Other than Promoter Group</b>						
More than six months	28.41	32.90	20.46	35.67	46.78	54.18
Less than six months		-	-	-	-	-
<b>Total (a)</b>	28.41	32.90	20.46	35.67	46.78	54.18

<b>b) From Promoter Group</b>						
More than six months	-	-	-	-	-	-
Less than six months	-	-	-	-	-	-
<b>Total (b)</b>	-	-	-	-	-	-
<b>Total (a) + (b)</b>	<b>28.41</b>	<b>32.90</b>	<b>20.46</b>	<b>35.67</b>	<b>46.78</b>	<b>54.18</b>

**Annexure VII**  
**Statement of Loans and Advances**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
		31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Receivables</b>						
a) Promoter Group*		308.45	309.02	312.30	315.62	319.48
b) Group Companies / Associates / Directors			-	-	-	-
c) Others		431.00	408.55	178.65	165.24	154.89
<b>Total</b>		<b>739.45</b>	<b>717.57</b>	<b>490.95</b>	<b>480.86</b>	<b>261.30</b>

\* Amount paid as lease advance, for more details please refer transactions with related parties on page No. 147

**Annexure VIII**  
**Statement of Secured Loans**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
		31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Term Loan</b>						
Standard Chartered Bank			-	-	-	141.14
Kotak Mahindra Bank			-	-	514.22	381.92
Bajaj Auto Finance Limited		1,118.93	1,145.63	1,177.92	-	-
HDB Financial Services Limited		92.50	96.86	45.78	-	-
Citibank			-	64.14	69.08	73.15
India Bulls Housing Finance Limited			-	496.93	-	-
India Infoline Housing Finance Ltd.		156.77	159.44	-	-	-
City Union Bank T.L		32.54	17.28	-	-	-
<b>Total (a)</b>		<b>1,400.74</b>	<b>1,419.21</b>	<b>1,784.77</b>	<b>583.30</b>	<b>455.07</b>
<b>Working Capital</b>						



Standard Chartered Bank		-	-	-	-	616.87
Kotak Mahindra Bank		-	44.60	358.68	420.67	-
City Union Bank	109.73	204.10	-	-	-	-
<b>Total (b)</b>	<b>109.73</b>	<b>204.10</b>	<b>44.60</b>	<b>358.68</b>	<b>420.67</b>	<b>616.87</b>
<b>Total (a) + (b)</b>	<b>1,510.47</b>	<b>1,623.31</b>	<b>1,829.37</b>	<b>941.98</b>	<b>875.74</b>	<b>758.01</b>

**Annexure IX**  
**Statement of Unsecured Loans**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
		31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Received from						
a) Promoter Group	-	-	21.66	-	-	-
b) Group Companies / Associates / Directors	-	-	-	-	-	-
c) Others	22.61	50.00	80.00	119.91	14.99	21.39
d) Banks and Financial Institutions	-	40.51	7.53	20.32	43.01	53.58
<b>Total</b>	<b>22.61</b>	<b>90.51</b>	<b>109.19</b>	<b>140.23</b>	<b>58.00</b>	<b>74.97</b>

**Annexure X**  
**Statement of Operating Income**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
		31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Manufactured Goods</b>						
Domestic Sale	1,882.78	3,221.27	2,627.89	2,148.57	1,682.83	1,436.48
Export Sale	10.15	8.57	15.67	25.94	40.73	36.50
<b>Traded Goods</b>						
Domestic Sale	1,370.81	593.65	481.05	447.04	284.80	223.56
Export Sale	0.20	21.56	7.89	20.42	-	-
<b>Total</b>	<b>3,263.94</b>	<b>3,845.05</b>	<b>3,132.50</b>	<b>2,641.97</b>	<b>2,008.36</b>	<b>1,696.54</b>

**Annexure XI**  
**Statement of Other Income**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Discount Received	16.13	13.77	10.03	4.41	5.56	2.54
Commission Received	-	-	-	-	-	-
Interest Received	1.09	2.12	1.97	2.44	1.39	1.28
Delivery Charges Received	7.31	9.47	7.90	4.79	2.72	1.39
Insurance / Compensation Claimed	-	-	-	0.15	0.18	0.02
Foreign Exchange Gain	0.25	0.22	-	5.37	0.50	-
Miscellaneous Income	1.65	-	-	-	-	-
Profit on Sale of Land and Building	-	39.49	-	-	-	-
<b>Total</b>	<b>26.43</b>	<b>65.06</b>	<b>19.90</b>	<b>17.16</b>	<b>10.34</b>	<b>5.23</b>

**Annexure XII**  
**Details of Contingent Liabilities**

There are no contingent liabilities for this Company.

**Annexure XIII**  
**Financial Ratios**

(₹ in Lacs except information of No. of Shares)

Particulars	For the period ended	For the years ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b>Net Worth as per Annexure - I</b>	<b>1,247.73</b>	<b>1,104.02</b>	<b>825.83</b>	<b>729.98</b>	<b>654.67</b>	<b>263.79</b>
<b>Net Profit after Tax</b>	<b>193.38</b>	<b>218.66</b>	<b>129.30</b>	<b>77.85</b>	<b>76.93</b>	<b>34.28</b>
Number of Shares outstanding at the end of the year / period	85,18,900	85,18,900	63,45,000	63,25,000	60,00,000	12,95,476
Bonus Issue of FY 2007-08 adjusted for earlier years	-	-	-	-	-	12,95,476
Bonus Issue of FY 2010-11 adjusted for earlier years	-	-	19,03,500	18,97,500	18,00,000	7,77,286
Number of Shares outstanding at the end of the year / period (Post Bonus Issue)	85,18,900	85,18,900	82,48,500	82,22,500	78,00,000	33,68,238
Weighted Average Number of Shares outstanding at the end of the year / period	85,18,900	84,51,333	63,30,699	60,75,685	26,02,818	10,97,846

Bonus Issue of FY 2007-08 adjusted for earlier years		-	-	-	-	12,95,476
Bonus Issue of FY 2010-11 adjusted for earlier years	-	-	19,03,500	18,97,500	18,00,000	7,77,286
Weighted Average Number of Shares outstanding at the end of the year / period (Post Bonus Issue)	85,18,900	84,51,333	82,34,199	79,73,185	44,02,818	31,70,608
<b>Earnings Per Share</b>						
- Basic	2.27	2.59	1.57	0.98	1.75	1.08
- Diluted	2.27	2.59	1.57	0.98	1.75	1.08
<b>Return on Net Worth</b>	15.50%	19.81%	15.66%	10.66%	11.75%	13.00%
<b>Net Asset Value per Share at the end of the year / period</b>	14.65	12.96	10.01	8.88	8.39	7.83

**NOTES:**

- 12,95,476 equity shares of ₹ 10/- each are allotted as fully paid by bonus shares by capitalisation of ₹ 53,71,240 from Capital Redemption Reserve, ₹ 34,11,573 from General Reserve and ₹ 41,71,947 from Profit and Loss Account during the year 2007-2008.
- 19,65,900 equity shares of ₹ 10/- each are allotted as fully paid by bonus shares by capitalisation of profits accumulated in Profit and Loss Account during the year 2010-2011.
- Earnings per share is calculated in accordance with AS 20 on "Earnings per share" issued by The Institute of Chartered Accountants of India.

**Ratios have been computed as follows:**

<b>Return on Equity (%) (ROE)</b>	<u>Net profit after tax as restated</u> Net Worth at the end of the year
<b>Net Asset Value Per Share (NAV) (₹)</b>	<u>Net Worth at the end of the year</u> No. of Equity shares outstanding at the end of the year
<b>Earnings Per Share (EPS) (₹)</b>	<u>Net profit after tax as restated attributable to Equity Shareholders</u> Weighted average no. of Equity shares outstanding during the year

**Annexure XIV****Statement of Capitalization**

(₹ in Lacs)

Particulars	For the period ended	Pre - Issue	Post - Issue
	31-Dec-11	31-Mar-11	
Borrowings			
Short Term Debts	109.73	254.10	[•]
Long Term Debts	1,423.34	1,459.73	[•]
Total Debts	1,533.07	1,713.82	[•]
Shareholders' Funds			

Equity Share Capital	851.89	851.89	[•]
Reserves and Surplus	395.84	252.13	[•]
Less: Miscellaneous Expenditure not written off	-	-	[•]
Total Shareholders' Funds	1,247.73	1,104.02	[•]
Debt Equity Ratio	1.23:1	1.55:1	[•]

**NOTES:**

1. The Debt / Equity ratio is calculated on Total Debt instead of Long Term Debt to Equity ratio, to present the prudent and conservative ratio as the Company does not have any material Long Term Debts.
2. Short Term Debts are debts repayable within a period of 12 months.
3. Short Term Debt includes Working Capital Loans & Unsecured Loans repayable within 12 months.
4. Long Term Debt includes Term Loans & Vehicle Loans.

**Annexure XV****Statement of Tax Shelters**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
		31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rate of Tax	33.22%	33.22%	33.99%	30.90%	30.90%	33.66%
Profit before Tax as Restated	289.51	359.81	318.22	99.59	96.50	45.79
Tax at Notional Rate	103.59	99.27	95.33	19.78	19.92	4.92
Adjustments:						
Difference between Tax Depreciation and Depreciation as per books	14.37	21.80	41.06	39.34	35.42	36.63
Other Adjustments	(59.52)	(3.67)	(3.30)	(3.78)	(3.41)	(0.23)
Net Adjustments	(45.15)	18.13	37.76	35.56	32.01	36.40
Tax Saving Thereon at Rate mentioned above	(15.00)	6.02	12.83	10.99	9.89	12.25
Total Taxation	88.59	105.29	108.16	30.77	29.81	17.17
Rate of MAT u/s 115 JB	19.931%	19.931%	16.995%	15.45%	10.30%	11.22%
Taxation Based on MAT	57.70	71.71	54.08	15.39	9.94	5.14
Taxation on Extraordinary Items	-	-	-	-	-	-
Tax on Profits before Extraordinary Items	88.59	105.29	108.16	30.77	29.81	5.14

**Annexure XVI**  
**Statement of Investments**

(₹ in Lacs)

Particulars	For the period ended	For the period ended				
	31-Dec-11	31-Mar11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Long Term- Equity Shares (Non Trade, Unquoted)	-	-	-	-	-	-
Vyasarpadi Co-Op Estate	0.05	0.05	0.05	0.05	0.05	0.05

**Annexure XVII**  
**Transactions with Related Parties**

(₹ in Lacs)

Particulars	For the period ended	For the year ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b><u>Transactions during the year</u></b>						
<b>Sales:</b>						
Olympic Paper Products	10.99	9.25				
Olympic Wedding Cards Pvt. Ltd.	38.17	3.64				
Olympia Paper and Stationery Stores	-	15.06	15.08	-	-	-
Maestro Home Needz Pvt. Ltd.	1.01	-	-	-	-	-
<b>Purchases:</b>						
Olympic Paper Products	16.12	0.65	10.15	-	-	-
Olympic Plastic Products	-	-	5.34	-	-	-
Olympia Paper and Stationery	-	31.61	45.93	-	-	-
Olympic Wedding Cards Pvt. Ltd.	0.01	-	-	-	-	-
<b>Remuneration Paid:</b>						
Mr. H. Noor Mohamed	4.50	6.00	9.00	9.00	9.00	9.00
Mrs. S. Jarina	3.15	4.20	8.40	8.40	8.40	8.40
Mr. N. Mohamed Faizal	1.80	2.40	2.40	2.40	2.40	-
<b>Rent Paid:</b>						
Mr. H. Noor Mohamed	1.08	1.44	2.58	2.58	3.42	1.14
Mrs. S. Jarina	-	-	1.14	1.14	1.14	1.14
Mr. N. Mohammed Rizwan	-	1.10	1.10	1.29	-	-
Mr. N. Mohammed Iqbal	-	1.10	1.10	1.29	-	-

Mr. N. Mohammed Saleem	-	1.10	1.10	1.29	-	-
Olympic Plastic Products	0.18	0.24	0.24	0.24	0.24	-
<b>Loans Taken:</b>		-	-	-	-	-
Mr. H. Noor Mohamed	-	-	21.66	-	-	-
<b>Loans Repaid:</b>		-	-	-	-	-
Mr. H. Noor Mohamed	-	21.66	-	-	-	-
<b>Balances at the year end:</b>						
<b>Lease Advance:</b>						
Mr. H. Noor Mohamed	219.58	220.15	220.12	220.12	220.12	220.12
Mr. N. Mohammed Rizwan	29.62	29.62	30.73	31.83	33.12	-
Mr. N. Mohammed Iqbal	29.62	29.62	30.73	31.83	33.12	-
Mr. N. Mohammed Saleem	29.62	29.62	30.73	31.83	33.12	-
<b>Rent Payable:</b>						
Mr. H. Noor Mohamed	0.12	0.12	0.22	0.22	-	-
Mrs. S. Jarina	-	-	0.10	0.10	-	-
Olympic Plastic Products	0.02	0.02	0.02	0.02	-	-
<b>Loan Repayable:</b>						
Mr. H. Noor Mohamed	-	-	21.66	-	-	-

**Note:** None of the above transactions are prejudicial to the interest of the Company.

#### Annexure XVIII

##### List of Relatives

Nature of Relationship	For the period ended	For the year ended				
		31-Dec-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b>Directors – Key Management Personnel</b>	Mr. Noor Mohamed	Mr. Noor Mohamed	Mr. Noor Mohamed	Mr. Noor Mohamed	Mr. Noor Mohamed	Mr. Noor Mohamed
	Mrs. S. Jarina	Mrs. S. Jarina	Mrs. S. Jarina	Mrs. S. Jarina	Mrs. S. Jarina	Mrs. S. Jarina
	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal
<b>Relatives of Key management Personnel</b>	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal	Mr. N. Mohamed Faizal
	Mr. N. Mohamed Iqbal	Mr. N. Mohamed Iqbal	Mr. N. Mohamed Iqbal	Mr. N. Mohamed Iqbal	Mr. N. Mohamed Iqbal	Mr. N. Mohamed Iqbal

	Mr. N. Mohamed Saleem	Mr. N. Mohamed Saleem	Mr. N. Mohamed Saleem	Mr. N. Mohamed Saleem	Mr. N. Mohamed Saleem	Mr. N. Mohamed Saleem
	Mr. N. Mohamed Rizwan	Mr. N. Mohamed Rizwan	Mr. N. Mohamed Rizwan	Mr. N. Mohamed Rizwan	Mr. N. Mohamed Rizwan	Mr. N. Mohamed Rizwan
	Mr. N. Mohamed Ashraf Ali	Mr. N. Mohamed Ashraf Ali	Mr. N. Mohamed Ashraf Ali	Mr. N. Mohamed Ashraf Ali	Mr. N. Mohamed Ashraf Ali	Mr. N. Mohamed Ashraf Ali
<b>Enterprises owned or significantly influenced by the key management personnel or their relatives.</b>	Olympic Plastic Products	Olympic Plastic Products	Olympic Plastic Products	Olympic Plastic Products	Olympic Plastic Products	Olympic Plastic Products
	Olympic Paper Products	Olympic Paper Products	Olympic Paper Products	Olympic Paper Products	Olympic Paper Products	Olympic Paper Products
	Olympic Habib Charitable Trust	Olympic Habib Charitable Trust	Olympic Habib Charitable Trust	Olympic Habib Charitable Trust	Olympic Habib Charitable Trust	Olympic Habib Charitable Trust
	Olympia Paper and Stationery	Olympia Paper and Stationery	Olympia Paper and Stationery	Olympia Paper and Stationery	Olympia Paper and Stationery	Olympia Paper and Stationery
	Maestro Home Needz Private Limited (Formerly Maestro Systems and Solutions Private Limited)	Maestro Home Needz Private Limited (Formerly Maestro Systems and Solutions Private Limited)	Maestro Home Needz Private Limited (Formerly Maestro Systems and Solutions Private Limited)	Maestro Home Needz Private Limited (Formerly Maestro Systems and Solutions Private Limited)	Maestro Home Needz Private Limited (Formerly Maestro Systems and Solutions Private Limited)	-

**Annexure XIX****Statement of Segment Reporting**

The Company is primarily operating only in one segment “Manufacturing of Cards”, hence, segment reporting is not applicable.

**Annexure XX**  
**Statement of Dividend**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Face Value of Equity Share (per share)	10	10	10	10	10	10
Final Dividend on Equity Shares (₹)	NA	38.13	31.65	30.25	23.43	11.66
Dividend Rate for equity shares (%)	NA	5%	5%	5%	9%	9%
Equity Shares in Number	85,18,900	85,18,900	63,45,000	63,25,000	60,00,000	12,95,476
Share Capital Amount	851.89	851.89	634.50	632.50	600.00	129.55

**Annexure XXI**  
**Statement of Reserves**

(₹ in Lacs)

Particulars	For the period ended	For the years ended				
	31-Dec-11	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<b>A. Capital Redemption Reserve</b>						
Opening Balance	-	-	-	-	53.71	53.71
Less: Issue of Bonus Shares	-	-	-	-	53.71	-
Closing Balance in Capital Redemption reserve Sub Total (A)	-	-	-	-	-	<b>53.71</b>
<b>B. Share Premium Account</b>						
Opening Balance	-	-	-	-	-	-
Add: Addition during the year	83.2	83.2	-	-	-	-
Closing Balance in Share Premium A/c - Sub Total (B)	<b>83.2</b>	<b>83.2</b>	-	-	-	-
<b>C. General Reserve</b>						
Opening Balance	19.44	10.44	2.49	-	24.47	19.89
Add: Transfer for the year from P&L Appropriation A/c	7.24	9.00	7.96	2.49	9.65	4.58
	26.68	19.44	10.45	2.49	34.12	24.47
Less: Issue of Bonus Shares	-	-	-	-	34.12	-
Closing Balance in General Reserve A/c - Sub Total (C)	<b>26.68</b>	<b>19.44</b>	<b>10.45</b>	<b>2.49</b>	-	<b>24.47</b>
<b>D. Profit and Loss Account</b>						



Opening Balance	149.49	180.88	96.43	56.46	58.31	42.25
Add: Profit for the year/period	193.38	218.66	129.3	77.85	76.93	34.28
	342.87	399.54	225.73	134.31	135.24	76.52
Less: Proposed Dividend	42.59	38.13	31.65	30.25	23.43	11.66
Less : Dividend Tax (including surcharge)	7.07	6.33	5.24	5.14	3.98	1.98
Less: Transfer to General Reserve	7.24	9.00	7.96	2.49	9.65	4.58
Less : Issue of Bonus Shares	-	196.59	-	-	41.72	-
Closing Balance Profit and Loss Account - Sub Total (D)	<b>285.96</b>	<b>149.49</b>	<b>180.88</b>	<b>96.43</b>	<b>56.46</b>	<b>58.3</b>
<b>Grand Total (A)+(B)+(C)+(D)</b>	<b>395.84</b>	<b>252.13</b>	<b>191.33</b>	<b>98.92</b>	<b>56.46</b>	<b>136.48</b>

#### Changes in Accounting Policies in the last three years

There has been no change in accounting policies in the last three years except as stated in the chapter titled “Financial Information” beginning on page 127 of this Red Herring Prospectus.

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

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this RHP. The following discussion relates to our company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in section 211(3C) of the Companies Act and other applicable provisions of the Companies Act.

Our year ends on March 31st of each year. All references to a particular financial year are therefore to the 12-month ending March 31 of that year.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### **Business Overview**

We are one of the leading Wedding Card manufacturers in Southern India located in Chennai. Late Mr. N.M. Habibullah is the founder of Olympic Cards Limited having experience in this business for over three decades. Our Company started its commercial production in the year 1992. Over the years our company has enhanced capacities by setting up more Machinery at the existing factories and also setting up of new factories.

Our Company has wide range of Wedding Cards and other allied products – Greeting Cards, Envelopes, Letterheads, Business Cards, Calendars Notebooks, Account Books, etc. Our products are used in various social occasions and also by businesses, schools, general consumers.

Our main manufacturing facility is set up at Vyasarpadi, Chennai. Our major marketing set up is established at the company's registered office at Parrys, Chennai. We are having retail outlets at Chennai and Coimbatore and dealers and franchisees for marketing our products at various locations across India which includes Chennai, Coimbatore, Vellore, etc, We are also having dealers in the countries such as Malaysia, Singapore, Dubai and Sri Lanka to sell our products. Our Company offers a range of products to domestic and international consumers. With the help of marketing team, we keep ourselves updated about market demand & consumer requirements.

### **Significant Developments after December 31, 2011 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the RHP which materially or adversely affect or is likely to affect the manufacturing or profitability of our company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### **Factors affecting our Result of Operation**

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

**General economic and business conditions;**

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust services sector. The overall economic growth will therefore impact the results of our operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic growth.

**Our ability to successfully implement its strategy and its growth and expansion plans;**

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact the Company's roll out schedules and cause cost and time over runs.

**Factors affecting industrial activity;**

Any change in the factors such as industrial policies, tariffs, excise duties etc. which may affect the activities of the Social Expression industry may also affect our results of operation.

**Increasing competition in the industry;**

We face competition from various players, some of which are mentioned below:

- Menaka Cards
- Lovely Cards

**Changes in fiscal, economic or political conditions in India;**

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our financial performance.

**Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;**

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

**Changes in the foreign exchange control regulations, interest rates and tax laws in India;**

Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy. Any changes in aforesaid regulations may adversely affect our operations.

**The performance of the financial markets in India and globally;**

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. Any

prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on the Company's business, operations, financial condition and profitability.

### Overview of Our Results of Operation

The following is a summary of company's results of operations derived from our Company's standalone restated financial statements included in this RHP under the section titled "Financial Statements".

Particulars	As at March 31, 2011	% of total income	As at March 31, 2010	% of total income	As at March 31, 2009	% of total income	As at March 31, 2008	% of total income	As at March 31, 2007	% of total income
<b>INCOME</b>										
<b>Sales</b>										
<b>Manufactured Goods</b>										
Domestic	3221.27	70.46	2,627.89	75.37	2,148.57	75.72	1,682.83	71.48	1,436.48	93.05
Export	8.57	0.19	15.67	0.45	25.94	0.91	40.73	1.73	36.50	2.36
<b>Traded Goods</b>										
Domestic	593.65	12.99	481.05	13.80	447.04	15.75	284.80	12.10	223.56	14.48
Export	21.56	0.47	7.89	0.23	20.42	0.72	-	0.00	-	0.00
<b>Total Sales</b>	<b>3,845.05</b>	<b>84.11</b>	<b>3,132.50</b>	<b>89.84</b>	<b>2,641.97</b>	<b>93.11</b>	<b>2,008.36</b>	<b>85.31</b>	<b>1,696.54</b>	<b>109.90</b>
Other Income	65.06	1.42	19.90	0.57	17.16	0.60	10.34	0.44	5.23	0.34
Increase / (Decrease) in Stock	661.93	14.47	334.19	9.58	178.44	6.29	335.55	14.25	(158.05)	-10.24
<b>TOTAL INCOME</b>	<b>4572.04</b>	<b>100.00</b>	<b>3,486.60</b>	<b>100.00</b>	<b>2,837.57</b>	<b>100.00</b>	<b>2,354.25</b>	<b>100.00</b>	<b>1,543.72</b>	<b>100.00</b>
<b>EXPENDITURE</b>										
Operating Expenses	3,497.81	76.50	2,674.17	76.70	2,388.33	84.17	1,973.11	83.81	1,276.09	82.66
Administration, Selling and other Expenses	272.78	5.97	219.81	6.30	134.57	4.74	124.77	5.30	89.89	5.82
Loss / (Profit) on Sale of Assets	19.00	0.42	3.29	0.09	3.76	0.13	1.65	0.07	0.23	0.01
Depreciation and Amortisation	64.18	1.40	59.54	1.71	49.84	1.76	42.03	1.79	30.24	1.96
Personnel Expenses	90.75	1.98	56.57	1.62	29.33	1.03	14.53	0.62	14.65	0.95
Finance Charges	241.19	5.28	154.99	4.45	132.15	4.66	101.66	4.32	86.82	5.62
<b>TOTAL EXPENDITURE</b>	<b>4185.70</b>	<b>91.55</b>	<b>3,168.38</b>	<b>90.87</b>	<b>2,737.98</b>	<b>96.49</b>	<b>2,257.76</b>	<b>95.90</b>	<b>1,497.73</b>	<b>97.03</b>
<b>PROFIT BEFORE TAX</b>	<b>359.81</b>	<b>7.87</b>	<b>318.22</b>	<b>9.13</b>	<b>99.59</b>	<b>3.51</b>	<b>96.50</b>	<b>4.10</b>	<b>45.79</b>	<b>2.97</b>
Provision for Taxation										
- Current Tax	105.29	2.30	108.02	3.10	20.57	0.72	19.92	0.85	3.17	0.21
- Deferred Tax Liability	35.86	0.78	80.90	2.32	1.18	0.04	(0.36)	-0.02	8.35	0.54

<b>PROFIT AFTER TAX</b>	<b>218.66</b>	<b>4.78</b>	<b>129.30</b>	<b>3.71</b>	<b>77.85</b>	<b>2.74</b>	<b>76.93</b>	<b>3.27</b>	<b>34.28</b>	<b>2.22</b>
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**Results for the nine months ended December 31, 2011**

<b>(₹ in Lacs)</b>		
<b>Particulars</b>	<b>For the period ended December 31, 2011</b>	<b>% of Total Income</b>
<b>INCOME</b>		
<b>Sales</b>		
<b>Manufactured Goods</b>		
Domestic	1882.78	57.53
Export	10.15	0.31
<b>Traded Goods</b>		
Domestic	1370.81	41.89
Export	0.20	0.01
	<b>3263.94</b>	99.74
Other Income	26.43	0.81
Increase / (Decrease) in Stock	(17.87)	(0.55)
<b>TOTAL INCOME</b>	<b>3272.51</b>	100
<b>EXPENDITURE</b>		
Operating Expenses	2471.93	75.54
Administration, Selling and other Expenses	205.76	6.29
Loss / (Profit) on Sale of Assets	36.50	1.12
Depreciation and Amortization	48.47	1.48
Personnel Expenses	70.38	2.15
Finance Charges	149.96	4.58
<b>TOTAL EXPENDITURE</b>	<b>2983.00</b>	91.15
<b>PROFIT BEFORE TAX &amp; PRIOR PERIOD ITEMS</b>	<b>289.51</b>	8.85
Provision for Taxation		
- Current Tax	103.59	3.17
- Deferred Tax Liability	(7.46)	(0.23)
<b>PROFIT AFTER TAX &amp; BEFORE PRIOR PERIOD ITEMS</b>	<b>193.38</b>	5.91
Prior Period Items	-	
<b>PROFIT AFTER TAX</b>	<b>193.38</b>	5.91
Profit brought forward from earlier years	149.49	4.57
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>342.87</b>	10.48
Proposed Dividend Final	42.59	1.30
Dividend Tax (including Surcharge)	7.07	0.22

Transfer to General Reserve	7.24	0.22
Issue of Bonus Shares	-	
<b>SURPLUS/(DEFICIT)CARRIED TO BALANCE SHEET</b>	<b>285.96</b>	<b>8.74</b>

### Comparison of Financial performance for the Financial Year 2010-11 as compared to Financial Year 2009-10

#### Major Events during the Year:

There are no major events in the Company during the Financial Year 2010-11.

#### Income from Sales:

Income from Sales increased from ₹ 3,486.60 Lacs in FY 2010 to ₹ 4,572.04 Lacs in FY 2011 registering a growth rate of 31.13% and the volumes increased from 13.76 lac units to 15.98 lac units during the period under comparison on account of optimum utilization of production capacity.

There is a spurt in "Other Income" in F.Y. 2010-2011 on account of inclusion of profit of ₹ 39,49,000 on sale of land of the Company.

#### Expenditure:

##### Operating Expenses

The operating expenses increased from ₹ 2,674.17 lacs in FY 2010 to ₹ 3,497.81 lacs in FY 2011, viz., 30.80% due to increase in volume.

##### Administration, Selling and Other Expenses

Administration, Selling and Other Expenses have increased from ₹ 219.81 Lacs in FY 2010 to ₹ 272.78 lacs in FY 2011, viz 24.09%. The increase is in commensurate with increase in the revenue.

##### Personnel Expenses

Employees Remuneration & Benefits has increased from ₹ 56.57 Lacs in FY 2010 to ₹ 90.75 Lacs in FY 2011. In proportion to total income, it has increased from 60.42%, the increase in the same was due to provision of gratuity and upward revision in salaries.

##### Finance Charges

Net interest expenditure has increased from ₹ 154.99 Lacs in the FY 2010 to ₹ 241.19 Lacs in FY 2011 due to upward revisions in interest rates during the year and on account of interest for the full year on the funds borrowed during the last quarter of F.Y. 2010.

##### Depreciation

Depreciation has increased from ₹ 59.54 Lacs in FY 2010 to ₹ 64.18 Lacs in FY 2011. This is on account of increase in fixed asset base for its manufacturing facilities.

##### Profit After Tax

Profit after tax has increased from ₹ 129.3 Lacs in FY 2010 to ₹ 218.66 Lacs in FY 2011, registering a growth of 69.11% which is primarily due to increase in total Income, better cost control measures and absorption of fixed overheads.

## **Comparison of Financial performance for the Financial Year 2009-10 as compared to Financial Year 2008-09**

### Major Events during the Year:

- The company opened its new retail outlet at the Commercial Shopping and Entertainment hub of South India – T. Nagar, Chennai with a constructed area of 5,500 sq. ft.
- The following new types of cards were launched by the company which received an overwhelming response:-
  - Decorated Cards (with Materials such as Bindhi, Metal Stickers, Diamonds and other Ornaments)
  - Card embedded with Musical Chips containing pre-recorded slogans.
  - Box Type Cards containing Dry Fruits and Chocolates

### Income from Sales:

Income from Sales increased from ₹ 2837.57 Lacs in FY 2009 to ₹ 3486.60 Lacs in FY 2010 registering a growth rate of 18.57% and the volumes increased from 10.03 lac units to 13.77 lac units during the period under comparison on account of optimum utilization of production capacity.

### Expenditure:

#### Operating Expenses

The operating expenses increased from ₹ 2,388.33 lacs in FY 2009 to ₹ 2674.17 lacs in FY 2010, viz., 11.97% due to increase in volume.

#### Administration, Selling and Other Expenses

Administration, Selling and Other Expenses have increased from ₹ 134.57 lacs in FY 2009 to ₹ 219.81 lacs in FY 2010, viz., 63.34%. The increase is due to better absorption of overheads.

#### Personnel Expenses

Employees Remuneration & Benefits has increased from ₹ 29.33 Lacs in FY 2009 to ₹ 56.57 Lacs in FY 2010. In proportion to total income, it has increased from 1.03% to 1.62%. The increase in the same was due to upward revision in salaries.

#### Finance Charges

Net interest expenditure has increased from ₹ 132.15 Lacs in the FY 2009 to ₹ 154.99 Lacs in FY 2010 due to increase in borrowings.

#### Depreciation

Depreciation has increased from ₹ 49.84 Lacs in FY 2009 to ₹ 59.54 Lacs in FY 2010. This is on account of increase in fixed asset base for its manufacturing facilities.

#### Profit After Tax

Profit after tax has increased from ₹ 77.85 Lacs in FY 2009 to ₹ 129.30 Lacs in FY 2010, registering a growth of 66.09% which is primarily due to increase in total Income, better cost control measures and absorption of fixed overheads.

## **Comparison of Financial performance for the Financial Year 2008 - 09 as compared to Financial Year 2007-08**

### **Major Events during the Year:**

The following new types of products were launched:-

- Scroll Type cards made up of Velvet Cloth
- Non-Woven Cards

### **Income from Sales:**

Income from Sales increased from ₹ 2,354.25 Lacs in FY 2008 to ₹ 2837.57 Lacs in FY 2009 registering a growth rate of 20.53% due to optimum utilization of production capacity.

### **Expenditure:**

#### **Operating Expenses**

The operating expenses increased from ₹ 1,973.11 lacs in FY 2008 to ₹ 2,388.33 lacs in FY 2009, viz., 21.04% due to increase in volume. Overall, there is an increase of 0.36% as proportion of the total Income for the same period.

#### **Administration, Selling and Other Expenses**

Administration, Selling and Other Expenses have increased from ₹ 124.77 lacs in FY 2008 to ₹ 134.57 lacs in FY 2009, viz., 7.85%. The marginal increase is due to better absorption of overheads.

#### **Personnel Expenses**

Employees Remuneration & Benefits has increased from ₹ 14.53 Lacs in FY 2008 to ₹ 29.33 Lacs in FY 2009 due to recruitment of additional staff to meet the increasing production demands. As a proportion of total income, it has increased from 0.62% to 1.03% in the same period.

#### **Finance Charges**

Net interest expenditure has increased from ₹ 101.66 Lacs in the FY 2008 to ₹ 132.15 Lacs in the FY 2009 due to increase in borrowings. As a proportion of total income, it has increased from 4.32% to 4.66% in the same period.

#### **Depreciation**

Depreciation has increased marginally from ₹ 42.03 Lacs in FY 2008 to ₹ 49.84 Lacs in FY 2009. This is on account of minor additions to fixed asset base for its manufacturing facilities.

### **Profit After Tax**

Profit after tax has increased from ₹ 76.93 Lacs in FY 2008 to ₹ 77.85 Lacs in FY 2009, registering a nominal growth of 1.20% which is primarily due to increase in staff costs, keeping in mind the market demands for the future.

## **Comparison of Financial performance for the Financial Year 2007 - 08 as compared to Financial Year 2006-07**

### **Major Events During the Year**

- The company opened a new retail outlet at Thiruvannamiyur, Chennai with a constructed area of 7,600 sq ft.
- The following new types of cards were launched during the year:-



- Wedding Cards with Zari Powder coating.
- Wedding & Greeting Cards with UV coating.

### **Income from Sales**

Income from Sales increased from ₹ 1,543.72 Lacs in FY 2007 to ₹ 2,837.57 Lacs in FY 2008 registering a growth rate of 52.50% due to increase in the total capacity of the factory and also on account of optimum utilization of existing facilities.

### **Expenditure**

#### **Operating Expenses**

The operating expenses increased from ₹ 1,276.09 lacs in FY 2007 to ₹ 1,973.11 lacs in FY 2008, viz., 54.62% due to increase in volume. Overall, there is an increase of 1.15% as proportion of the total Income and the same was also on account of increase in raw material prices and other costs.

#### **Administration, Selling and Other Expenses**

Administration, Selling and Other Expenses have increased from ₹ 89.89 lacs in FY 2007 to ₹ 124.77 lacs in FY 2008, viz., 38.80%. The increase is due to better absorption of overheads.

#### **Personnel Expenses**

Employees Remuneration & Benefits has decreased from ₹ 14.65 Lacs in FY 2007 to ₹ 14.53 Lacs in FY 2008 due to reduction of employees not resulting in improvement of synergy with the production process. As a proportion of total income, it has decreased marginally from 0.95% to 0.62% in the same period.

#### **Finance Charges**

Finance expenditure has increased from ₹ 86.82 Lacs in the FY 2007 to ₹ 101.66 Lacs in the FY 2008. This is due to increase in borrowings. As a proportion of total income, it has decreased from 5.62% to 4.32% in the same period.

#### **Depreciation**

Depreciation has increased from ₹ 30.24 Lacs in FY 2007 to ₹ 42.03 Lacs in FY 2008. This is on account of increase in fixed asset base for manufacturing facilities.

### **Profit After Tax**

Profit after tax has increased from ₹ 34.28 Lacs in FY 2007 to ₹ 76.93 Lacs in FY 2008, registering a growth of 124.42% which is primarily due to increase in total Income, reduced costs and economies of scale.

### **Cash Flows**

The table below summarizes the Company's Cash Flows on standalone basis for the Financial Year ending March 31, 2011, 2010, 2009, 2008 & 2007

(₹ in Lacs)					
<i>Particulars</i>	<i>March 31, 2011</i>	<i>March 31, 2010</i>	<i>March 31, 2009</i>	<i>March 31, 2008</i>	<i>March 31, 2007</i>
Net cash from (used in) operating activities	240.28	457.75	179.74	(170.01)	264.25
Net cash from (used in)	(320.94)	(840.92)	(195.71)	(222.77)	(209.24)

<i>Particulars</i>	<i>March 31, 2011</i>	<i>March 31, 2010</i>	<i>March 31, 2009</i>	<i>March 31, 2008</i>	<i>March 31, 2007</i>
investing activities					
Net cash from (used in) financing activities	330.93	667.96	21.42	326.37	(26.37)
Net Increase/(Decrease) in Cash & Cash Equivalents	(250.27)	284.79	5.45	(66.42)	28.64

### **Operating Activities**

Net cash generated from the Company's operating activities for FY 2011 was ₹ 240.28 Lacs, FY 2010 was ₹ 457.75 Lacs. This was primarily due to increase in revenue and optimum utilization of resources at the disposal of the company. Net cash generated from the Company's operating activities for FY 2009 was ₹ 175.98 Lacs. Net Cash used in the Company's operating activities for FY 2008 was ₹ 170.01 Lacs, whereas, Net Cash generated in FY 2007 was ₹ 264.25 Lacs. This was due to overall gradual increase in capacity and productivity and due to economies of scale and optimum utilization of resources during these years.

### **Investing Activities**

Net cash used in Company's investing activities for FY 2011 was ₹ 320.94 Lacs, FY 2010 was ₹ 840.92 Lacs, FY 2009 was ₹ 195.71 Lacs, FY 2008 was ₹ 222.77 Lacs and FY 2007 was ₹ 209.24 Lacs. This was primarily attributable to project related expenses incurred during these years.

### **Financing Activities**

Net cash generated from the Company's financing activities for FY 2011 was ₹ 330.93, FY 2010 was Rs 667.96 Lacs, FY 2009 was ₹ 21.42 Lacs and FY 2008 was ₹ 326.37 Lacs as a result of increase in working capital and term loan amount.

Net cash used in from the Company's financing activities for FY 2007 was ₹ 26.37 Lacs. This was due to interest payout during this year.

### **Information required as per Schedule VIII Part A(IX) (E)(5) of the SEBI ICDR Regulations**

#### **(a) Unusual or infrequent events or transactions**

Other than as stated in the RHP, there have been no unusual or infrequent transactions that have taken place during the last three years.

#### **(b) Significant economic changes that materially affected or are likely to affect income from continuing operations**

Any slowdown in the growth of Indian Economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

#### **(c) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations**

To our knowledge there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**(d) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in this section and the sections titled “Risk Factors”, “Business Overview” pages xii and 71, respectively, to our knowledge, there are no known factors which will materially impact the future changes in relationship between our costs and revenues.

**(e) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase or decrease in revenue is by and large linked to increases in sales prices or volume of business.

**(f) Total turnover of each major Industry segment in which our Company operated**

Relevant published data, as available, on the industry segment has been included in the section entitled “Industry Overview” beginning on page 63.

**(g) Status of any publicly announced new products or business segment**

Our Company has not publicly announced any new product and segment, other than through the RHP.

**(h) The extent to which the business is seasonal**

There is peak demand for wedding cards during auspicious months, but, this demand varies across each religion and thereby ensuring a steady demand in our business segment.

**(i) Any significant dependence on a single or few suppliers or customers**

There is no significant dependence for the company upon any single or few suppliers or customers.

**(j) Competitive Condition**

We face competition from regional and well-established players.

## FINANCIAL INDEBTEDNESS

## Details of Secured Loan

Name of the Lender	Sanction Amount (₹ in Lacs)	Nature of Loan	Amount outstanding as on December 31, 2011 (₹ in Lacs)	Date of agreement /sanction letter	Interest Rate	Repayment Schedule	Security
<b><u>Loans from financial Institutions</u></b>							
Bajaj Auto Finance Ltd	970.00	Loan against property	919.34	21.01.2010	11.25%	180 months	No.195, NSC Bose Road, Chennai – 1 and No.31, Dr. RK Salai 9th St., Mylapore, Chennai – 4
Bajaj Auto Finance Ltd	49.55	Loan against property	47.09	27.02.2010	11.25%	180 months	No.195, NSC Bose Road, Chennai – 1 and No.31, Dr. RK Salai 9th St., Mylapore, Chennai – 4
Bajaj Auto Finance Ltd	76.80	Loan against property	72.99	27.02.2010	11.25%	180 months	No.9, Chinnathambi St., Chennai – 1
Bajaj Auto Finance Ltd	42.65	Loan against property	40.53	27.02.2010	11.25%	180 months	No. 10, Chinnathambi St., Chennai – 1
Bajaj Auto Finance Ltd	41.00	Loan against property	38.97	27.02.2010	11.25%	180 months	No. 52, Malayaperumal St., Chennai – 1
HDB Financial Services	100.00	Loan against property	92.50	22.07.2010	12.00%	120 months	No.25, United India Colony, Kodambakkam, Chennai – 24
India Infoline Housing Finance Ltd.	160.00	Loan against property	156.77	29.11.2010	13.50%	180 months	No.54, Chinnathambi St, Chennai- 1 and No.4, Badrian St., Chennai – 1
<b><u>Loans from Banks</u></b>							
<b><u>I. Term Loans</u></b>							
City Union Bank Ltd	9.95	Other Secured Loan for Machinery purchase	8.96	15.10.2010	14.00%	84 months	Plot No.4 & 5, VCIE, Erukkenchery High Road, Vyasarpadi, Chennai - 39
City Union Bank Ltd	8.00	Other Secured Loan for Machinery purchase	6.71	21.03.2011	14.00%	60 months	Plot No.4 & 5, VCIE, Erukkenchery High Road, Vyasarpadi, Chennai – 39
City Union Bank Ltd	40.00	Other Secured Loan for Machinery purchase	16.87	29.09.2011	14.00%	84 Months with 3 months holiday period	Plot No.4 & 5, VCIE, Erukkenchery High Road, Vyasarpadi, Chennai – 39

<b><u>II. Working Capital facilities</u></b>							
City Union Bank Ltd	250.00	Cash Credit	109.73	12.04.2011	14.00%	One Year	Plot No.5 & 4, VCIE, Vyasarpadi, Chennai – 39

**Details of Unsecured Loans**

Name of the Lender	Sanction Amount (₹ in Lacs)	Nature of Loan	Amount outstanding as on December 31, 2011 (₹ in Lacs)	Date of agreement /sanction letter	Interest Rate	Repayment Schedule	Security
<b><u>Loans from others</u></b>							
Bajaj Auto Finance Ltd	35.00	Business Loan	21.72	31.07.2010	18%	36 months	Nil
Religare Finvest Ltd	23.58	Business Loan	0.88	31.12.2008	22%	36 months	Nil

**Restrictive Covenants**

We have entered into Loan agreements with Bajaj Auto Finance Limited, HDB Financial Services Limited, India Infoline Housing Finance Limited and City Union Bank Ltd. for Term Loan and Working Capital requirements. Some of these agreements contain restrictive covenants, brief details of which are as follows:

During the currency of the Banks credit facilities the Company shall not, without the prior approval of the bank in writing

- Alter its share capital or issue any further shares.
- Issue any further shares.
- Enter into any reconstruction or arrangement or merge or amalgamate with any other company or body corporate or enter into any partnership.
- Amalgamate or merge the property with any other adjacent property nor shall the borrower create any right of way or any other easement on such property.
- Declare any dividend if any installment towards principal or interest remains unpaid on its due date.
- Execute or permit to be executed Power of Attorney, Indemnity or any other deed in favour of any third person enabling such person to deal with the Mortgaged premises or the property in any manner.
- Obtain any other or further loan or financial facility from any other person or execute any personal/ corporate guarantee or incur or assume any further indebtedness except any indebtedness in the ordinary course of business.
- Stand surety for any person or guarantee the repayment of any loan or overdraft or other obligation of any person.
- Sell, charge, lease surrender or otherwise howsoever alienate or transfer or create interest in favour of other person in the Security or any part thereof or permit any charge , encumbrance or lien of any kind whatsoever over such security.

## SECTION VII - LEGAL AND OTHER INFORMATION

### CONTINGENT LIABILITIES, OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS AND OTHER DEVELOPMENTS

Except as disclosed below:

- There are no defaults, non-payments or overdue amounts with respect to statutory dues, institutional or bank dues or amounts due to holders of debentures, bonds and fixed deposits and arrears of preference shares;
- No disciplinary action has been taken by SEBI or any Stock Exchange against the Company or its Directors or its Promoter Group Companies;
- There are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liability against the Company, its Directors, Promoters and Promoter Group, that would have an adverse effect on our business as of the date of the RHP.

None of the Companies or persons referred in the paragraph above is on the list of the wilful defaulters of RBI.

#### Contingent Liabilities not provided for and outstanding guarantees as of December 31, 2011

There are no outstanding contingent liabilities not provided for as on December 31, 2011.

#### Outstanding Litigations

##### Litigation against our Company

There are no outstanding litigations initiated against us.

##### Litigations initiated by our Company

There are no outstanding litigations initiated by us.

##### Litigations involving our Promoters / Directors

There are no cases filed / pending involving our Promoters / Directors.

##### Litigations involving our Group Entities

There are no cases filed / pending against our Group Entities.

#### Details of Penalty imposed on our Company / Promoters / Directors / Group Entities

There is no penalty imposed on our Company / Promoters / Directors / Group Company in the last five years by SEBI, Stock Exchange and RBI.

No proceedings for economic offences have been initiated against our Company or Directors.

No adverse findings are there in respect of our Company as regard to compliance with the securities laws.

There are no pending litigations, defaults, etc. in respect of group entities with which the promoters were associated in the past but are no longer associated in case their names continue to be associated with the particular litigations.

Neither our Company nor any of its group entities had faced / are facing any litigations / defaults / over dues or labour problems / closure, etc.

There are no litigations against the promoters, past or present, involving any violation of statutory regulations or alleging criminal offence.

There are no litigations initiated against our promoters / group entities by any agencies, including regulatory authorities.

## **MATERIAL DEVELOPMENTS SINCE THE LAST AUDITED BALANCE SHEET**

### **Amounts due to Small Scale Undertakings and Other Creditors**

There is no amount outstanding for more than 30 days to small scale and ancillary industrial undertaking provided in the Small Scale and Ancillary, Industrial Undertaking Act, 1992. The information regarding Small Scale Industrial Undertakings have been determined to the extent such parties have been identified on the basis of information available with our Company.

### **Adverse Events**

There have been no adverse events affecting the operations of our Company occurring within one year prior to the date of filing this Red Herring Prospectus.

### GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS

The Company has received all the necessary licenses, permission and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by the Company for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed. There are no pending approvals from any governmental authorities due to which we may face investigations and inquiries in the future.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Sr. No	Issuing Authority	Registration / License No.	Nature of Registration / License	Date of Registration and period of validity if any
1	Registrar of Companies, Chennai, Tamil Nadu	CIN: U65993TN1992PL C022521	Certificate of Incorporation of Olympic Business Credits (Madras) Private Limited	April 21, 1992
2	Registrar of Companies, Chennai, Tamil Nadu	CIN: U65993TN1992PL C022521	Fresh Certificate of Incorporation consequent upon change of name from Olympic Business Credits (Madras) Private Limited to Olympic Business Credits (Madras) Limited	October 31, 1996
3	Registrar of Companies, Chennai, Tamil Nadu	CIN: U65993TN1992PL C022521	Fresh Certificate of Incorporation consequent upon change of name from Olympic Business Credits (Madras) Limited to Olympic Cards Limited	June 02, 1998
4	State Government of Tamilnadu	33100160814	Value Added Tax Act, 2006	January 01, 2007
5	Director of Income Tax, Government of India	CHEO02107A	Tax Deduction Account Number	March 03, 2010 (Fresh Certificate obtained due to name change)
6	Director of Income Tax, Government of India	AAACO3651L	Permanent Account Number	-
7	Tamilnadu Pollution Control Board	Registration no.: CC11721	Authorization for The Management & Handling of Hazardous Wastes	September 14, 2010
8	Government of India, Ministry of Commerce	IEC.- 0498050432	Certificate of Importer- Exporter Code (IEC)	January 19, 1999



9	Government of India, Office of the Assistant Commissioner of Service Tax	AAACO3651L ST001	Service Tax Registration [Certificate of Registration under Section 69 of the Finance Act. 1994 (32 of 1994)]	July 25, 2007
10	Government of India	93332	Central Sales Tax	June 01, 1998
11	Deputy Chief Inspector of Factories, I Division, Chennai - 600006	License No. - 2317, Registration No. - CH 7920/07	Factory Licence for No. 4, Vyasarpadi Industrial Cooperative Estate, Vyasarpadi, Chennai – 600 039	30.12.2008 valid till 31.12.2012 (Annual Renewal)
12	Deputy Chief Inspector of Factories, I Division, Chennai - 600006	License No. - 2613, Registration No. - CH 7496	Factory Licence for No. 5, Vyasarpadi Industrial Cooperative Estate, Vyasarpadi, Chennai – 600 039	03.12.2008 valid till 31.12.2012 (Annual Renewal)
13	Regional Provident Fund Commissioner	Registration No. - 48801	Registration under Employees Provident fund & miscellaneous Provisions Act, 1952	14.03.2000 One Time Registration
14	Asst. Director (IPN) , Employee's State Insurance Corporation, Coimbatore	51-00-077461-000-0803	ESIC Registration (Chennai)	03.12.2009 One Time Registration
15	Additional Commissioner and Regional Director, Employee's State Insurance Corporation, Chennai	56-51-077461-001-0803	ESIC Registration (Coimbatore)	05.04.2010 One Time Registration
16	Commissioner, Corporation Of Chennai (Professional Tax)	PTNAN: 03-049-PE-0044	Professional Tax Registration	14.08.2001 One Time Registration
17.	Inspector of Labour, Chennai	License / Registration No: R. Dis: 60/06	Shops and Establishment Licence for Plot No. 41, Old No. 10, New No. 25, 1 <sup>st</sup> Main Road, No.29, , 1 <sup>st</sup> Cross Street, United India Colony, Kodambakkam, Chennai – 600 024.	04.05.2006 One Time Registration
18.	Inspector of Labour, Chennai	License / Registration No: R. Dis: 454/07	Shops and Establishment Licence for No. 9 Chinnathambi Street, Chennai – 600 001	24.12.2007 One Time Registration
19.	Inspector of Labour, Chennai	License / Registration No: R. Dis: 454/07	Shops and Establishment Licence for No. 10 Chinnathambi Street, Chennai – 600 001	24.12.2007 One Time Registration
20.	Inspector of Labour, Chennai	License / Registration No: R. Dis: 312/2010	Shops and Establishment Licence for No. 162/1 Road, Thiruvanniyur, Chennai – 600 041	15.07.2010 One Time Registration
21.	Inspector of Labour	License / Registration No: R. Dis: 4/2007	Shops and Establishment Licence for Old Door No. 23, New Door No. 53, Anderson Street,	01.02.2007 One Time Registration

			Chennai – 600 001	
22.	Inspector of Labour	License / Registration No: R. Dis: 115/2010	Shops and Establishment Licence for No. 195, N.S.C Bose Road, Chennai – 600 001	11.08.2010 One Time Registration
23.	Inspector of Labour, Chennai	License / Registration No: R. Dis: 500/2010	Shops and Establishment Licence for sales outlet at 29/47 North Usman Road, Chennai – 600 017.	12.01.2011 One Time Registration
24	Inspector of Labour, Coimbatore	License / Registration No: (R. Dis) 57/2011	Section 3 of the Tamil Nadu Establishments (National and Festival Holidays) Act, 1958 (Tamil Nadu Act XXXIII of 1958) for No.957, raja Street, Coimbatore – 641 001	06.06.2011 One Time Registration
25	Revenue Officer, Corporation of Chennai	Licence Code: P35057359/2005- 2006	License Renewal under Section 287 of CCMC Act, for Factory at Plot No.5, Vyasarpadi Cooperative Industrial Estate, Vyasarpadi, Chennai - 600039	07.03.2011 valid till 31.03.2012
26	District Environmental Engineer Tamilnadu Pollution Control Board, Chennai	Registration No.CC11421 Consent Order No: 1041 Proc. No. DEE/TNPCB/CHN/ OL -145/A/2010 dated 06.10.2010	Consent order for existing operation of plant at Plot No5,Vyasarpadi Co-operative Industrial Estate, Vyasarpadi, Chennai – 600 039 under section 21 of the Air(Prevention and Control of Pollution) Act,1981	22.09.2011 Valid till 30.09.2012
27	District Environmental Engineer Tamilnadu Pollution Control Board, Chennai	Registration No.CC11421 Consent Order No : 1036 Proc. No. F. CHN0019/OL-145/ DEE/TNPCB/CHN/ W/2010	Consent order for Existing outlet / discharge of sewage at Plot No.5, Vyasarpadi Co-operative Industrial Estate, Vyasarpadi, Chennai – 600 039 under section 25 of the Water (Prevention and Control of Pollution) Act,1974	22.09.2011 Valid till 30.09.2012

#### Approvals relating to the proposed new manufacturing Unit:

We are yet to apply for the Factory Licence, construction of factory building and Sanction for Power Connection with the relevant authorities for our proposed factory at No. 90, Kannigaiper village, Uthukottai Taluk, Thiruvallur District, Tamil Nadu. The application for the same is proposed to be made in the month of March, 2012.

We confirm that there are no such approvals that are due for renewal in the coming 6 months except as disclosed in the RHP.

Further, approvals that have expired as on date and the renewal for which has been made, are mentioned hereunder:

### **Investment Approvals**

As per notification number bearing FEMA/20/2000-RB dated May 03, 2000, as amended from time to time, under automatic route of the Reserve Bank India, our Company is not required to make an application for issue of Equity Shares to NRIs / FIIs with repatriation benefits. However, the allotment / transfer of the Equity Shares to NRIs / FIIs shall be subject to the prevailing RBI Guidelines.

## SECTION VIII - REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on, August 01, 2010, authorized the Issue subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The shareholders of the Company have authorized the Issue, by a Special Resolution under Section 81(1A) of the Companies Act, at the EGM held on August 27, 2010.

### Prohibition by SEBI

Our Company, our Directors, our Promoters, Group Companies and other companies promoted by our Promoters and companies / firms with which our Directors are associated as Directors or promoters or partners (other than as disclosed in the RHP) 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.

### Association of Directors with the securities market

None of our Directors are associated with securities markets in any manner, nor has SEBI initiated any action against them.

### Prohibition by RBI

Our Company, our Directors, our Subsidiary, our Promoters, Promoter Group, Group Companies and the companies with which our Directors are associated as Directors or promoters (other than as disclosed in the RHP), relatives (as per Companies Act, 1956) of Promoters have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

### Compliance with accounting norms

Our Company confirms and undertakes that it shall comply with such disclosures and accounting norms specified by SEBI from time to time.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009, as confirmed by the Auditor of the Company, M/s C. S. Hariharan & Co., Chartered Accountants, dated October 20, 2010 as explained hereunder, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- a. Olympic Cards Limited has a net tangible assets of at least 3 crores in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets
- b. Olympic Cards Limited has a pre-Issue net worth of at least 1 Crore in each of the three preceding full years (of 12 months each)

- c. Olympic Cards Limited has a track record of distributable profits as per Section 205 of Companies Act, 1956, for at least three out of the immediately preceding five years
- d. The proposed Issue size would not exceed five times the pre-Issue net worth
- e. Olympic Cards Limited has not changed its name within the last one year.

The tangible assets, distributable profits as per Section 205 of the Companies Act and net worth for the last five years as per the restated unconsolidated financial statements are as under:

Particulars	For the Financial Year Ended March 31				
	2011	2010	2009	2008	2007
Distributable Profits (1)	218.66	129.30	77.85	76.93	34.28
Net Worth (2)	1104.02	825.83	729.98	654.67	263.79
Net Tangible Assets (3)	2742.31	2812.49	1465.31	1178.35	490.88
Monetary Assets (4)	60.54	310.81	26.02	20.57	86.99

**Notes:**

- 1) Distributable profits have been defined in terms of section 205 of the Companies Act.
- 2) Net worth has been defined as the aggregate of equity share capital and reserves and surplus, (excluding revaluation reserve) as reduced by miscellaneous expenditure, if any.
- 3) Net tangible assets means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.
- 4) Monetary assets comprise of cash and bank balances, public deposit account with the Government.

Accordingly, our Company is eligible to make the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009.

Further, in accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, if the number of allottees in the proposed Issue is less than 1,000, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

**Compliance with Part A of Schedule VIII of the SEBI Regulations**

The Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

## **DISCLAIMER CLAUSES**

### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE 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 THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, ASHIKA CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIMEBEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FORMAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ASHIKA CAPITAL LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 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 MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

**(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER,**

**WE CONFIRM THAT:**

**(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH 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 DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN**

**ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

**(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

**(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**

**(5) WE CERTIFY THAT WRITTEN CONSENT FROM 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 PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

**(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

**(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.**

**(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

**(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF 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 THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED**

**HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE**

**(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE**

**(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

**(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

**(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE 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.**

**(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

**All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the**



Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

The Promoters/Directors of our Company confirms that no information / material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Offer Document has been suppressed withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of its transpiring at any point in time till allotment/refund, as the case may be, that any information/material has been suppressed/withheld and / or amounts to a mis-statement/ misrepresentation, the Promoters / Directors undertake to refund the entire application monies to all subscribers within 7 days thereafter without prejudice to the provisions of section 63 of the Companies Act.

Price Information:

<b><u>DISCLOSURE OF PRICE INFORMATION OF PAST IPOs HANDLED BY ASHIKA CAPITAL LIMITED</u></b>														
<b><u>Sr. No</u></b>	<b><u>Issue Name</u></b>	<b><u>Issue Size (₹ Cr.)</u></b>	<b><u>Issue Price (₹)</u></b>	<b><u>Listing Date</u></b>	<b><u>Opening Price on Listing Date</u></b>	<b><u>Closing Price on Listing Date</u></b>	<b><u>% Change in Price on Listing Date (Closing) vs. Issue Price</u></b>	<b><u>Benchmark Index on Listing Date (Closing)</u></b>	<b><u>Closing Price as on 10th Calendar Day from Listing Day</u></b>	<b><u>Benchmark index as on 10th Calendar Day from Listing Day (Closing)</u></b>	<b><u>Closing price as on 20th calendar day from listing day</u></b>	<b><u>Benchmark index as on 20th calendar days from listing day (Closing)</u></b>	<b><u>Closing price as on 30th calendar day from listing day</u></b>	<b><u>Benchmark index as on 30th calendar days from listing day (Closing)</u></b>
<u>1</u>	Vaswani Industries Limited	49.00	39.20*	October 24, 2011#	33.45	17.75	(54.71%)	16939.28	11.43	17464.85	13.57	17118.74	10.78	16065.42
<u>2</u>	VMS Industries Limited	25.75	40.00	June 14, 2011	43.95	28.50	(28.75%)	18308.66	14.30	17727.49	14.25	18814.48	14.20	18596.02
<u>3</u>	Sudar Garments Limited	69.98	77.00	March 11, 2011	74.00	113.10	46.88%	18174.09	104.35	17839.05	116.65	19290.18	116.05	19262.54
<u>4</u>	Bedmutha Industries Limited	91.80	102.00	October 14, 2010	114.40	180.80	77.25%	20497.64	204.20	20303.12	176.05	20345.69	116.95	20156.89

\* Issue Price was ₹ 49/- and due to the issue of bonus shares in the ratio of 1:4, the diluted price arrived at ₹ 39.20/-

# The trading commenced on the said date whereas the shares of the Company got listed on September 20, 2011



SUMMARY STATEMENT OF DISCLOSURE														
Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs Trading at Discount on Listing Date			Nos. of IPOs Trading at Premium on Listing Date			Nos. of IPOs Trading at Discount as on 30th Calendar Day from Listing Date			Nos. of IPOs Trading at Premium as on 30th Calendar Day from Listing Date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-2012	2	74.75	1	1	-	-	-	-	2	-	-	-	-	-
2010-2011	2	161.78	-	-	-	1	1	-	-	-	-	1	-	1
2009-2010	0	-	-	-	-	-	-	-	-	-	-	-	-	-

**In accordance with SEBI Circular No. CIR/MIRSD/1/2012 dated January 10, 2012, the track record of the performance of the public issues managed by the BRLM, Ashika Capital Limited, during the last three (3) years are disclosed on their website, i.e. <http://old.ashikagroup.com/trackrecord.aspx>**

**Caution - Disclaimer statement from the Company and the BRLM**

Our Company, our Directors and the BRLM accepts 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.

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.

All information shall be made available by the 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 at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate Members are liable to Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective Directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective Directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Disclaimer in respect of jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under 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) Public financial institutions as specified in Section 4A of the Companies Act, venture capital funds registered with SEBI, national investment funds, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2500 Lacs and pension funds with minimum corpus of ₹ 2500 Lacs, eligible NRIs, multilateral and bilateral institutions, FIIs and Foreign Venture Capital Funds Registered with SEBI. This RHP 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 this 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 Chennai 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 has been filed with SEBI for its observations and SEBI has given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or

indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this RHP nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold 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 of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Disclaimer Clause of BSE**

BSE Limited (the "Exchange") has given vide its letter dated November 11, 2011, 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:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which maybe 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 CRISIL**

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 the 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 especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-33423561, or via e-mail: [clientservicing@crisil.com](mailto:clientservicing@crisil.com).

For more information on CRISIL IPO Gradings, please visit <http://www.crisil.com/ipo-gradings>

## **Filing**

A copy of the Red Herring Prospectus has been filed with the Regional Office of SEBI at:

### **SEBI Southern Regional Office,**

32, D' Monte Colony,  
TTK Road, Alwarpet,  
Chennai – 600 018  
Tamilnadu  
Tel: +91-44-24674000/24674150  
Fax: +91-44-24674001  
E-mail: [sebisro@sebi.gov.in](mailto:sebisro@sebi.gov.in)

A copy of the Red Herring Prospectus, along with the documents required to be filed under 60B of the Companies Act would be delivered for registration to the

### **Registrar of Companies,**

Block No. 6, B – Wing 2<sup>nd</sup> Floor,  
Shastri Bhawan, 26,  
Haddows Road,  
Chennai – 600 034  
Tamilnadu  
Tel: 044-28277182, 28272676  
Fax: 044-28234298

A copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC.

## **Listing**

Application has been made to the BSE Limited for permission to deal in and for an official quotation of the Equity Shares to be issued under the present public offer pursuant to this document.

BSE Limited shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion. In-principle approval for listing of the equity shares of the Company from BSE has been received *vide* its letter dated November 11, 2011..

If the permission to deal in, and for an official quotation of the Equity Shares is not granted by BSE Limited, our Company shall forthwith repay, without interest, all moneys received from applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days from the date on which our Company has become liable to repay it (i.e., from the date of refusal or within fifteen (15) days from the Bid/Issue Closing Date, whichever is earlier), then our Company and every Director of our Company who is an officer in default shall, on and from the expiry of such eight day period, be liable to repay such moneys, together with interest at the rate of 15% per annum on the 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 is 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. Promoters of our Company
2. Directors of our Company
3. Bankers to our Company
4. Auditors to our Company
5. Book Running Lead Manager to the Issue
6. Legal Advisor to the Issue
7. Registrar to the Issue
8. Syndicate Member(s)
9. Company Secretary & Compliance Officer
10. Bankers to the Issue
11. Underwriter(s) to the Issue\*
12. IPO Grading Agency
13. Consent from CRISIL for inclusion of report on Industry Overview

The said consents would be filed with the RoC along with a copy of the RHP, 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 RoC, Tamil Nadu at Chennai.

M/s. G. Balu Associates, Chartered Accountants, who are subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI, have given their written consent to the inclusion of their report in the form and context in which it appears in this RHP and such consents and reports have not been withdrawn up to the time of delivery of this RHP for registration with the RoC.

M/s. G. Balu Associates, Chartered Accountants, who are subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI, have given their written consent to the inclusion of their report to the tax benefits accruing to our Company and its members in the form and context in which it appears in this RHP and have not withdrawn such consent up to the time of delivery of this RHP for registration with the RoC.

## Expert Opinion

Except as stated elsewhere in this RHP, our Company has not obtained any expert opinions.

## Public Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees. The estimated expenses of the Issue are as follows:

(₹ in Lacs)			
Activity	Estimated Expenses	As a % of total estimated Issue expenses	As a % of total Issue size
Listing Fees & expenses of SEBI	[•]	[•]	[•]
Fees payable to the Book Running Lead Manager	[•]	[•]	[•]
Fees payable to the Registrar to the Issue	[•]	[•]	[•]
Fees payable to Bankers	[•]	[•]	[•]
Fees payable to Advisors to the company	[•]	[•]	[•]
Fees payable to Legal Advisors	[•]	[•]	[•]
Underwriting and selling commission	[•]	[•]	[•]

Advertising and marketing expenses	[•]	[•]	[•]
Commission to SCSBs and Syndicate Members	[•]	[•]	[•]
IPO Grading expenses	[•]	[•]	[•]
Others (printing and stationery expenses, etc.)	[•]	[•]	[•]
<b>Total estimated Issue expenses</b>	[•]	[•]	[•]

\* Will be incorporated after finalisation of Issue Price.

#### **Fees payable to the BRLM, Brokerage and Selling Commission**

The total fees payable to the BRLM, Ashika Capital Limited, including underwriting & brokerage, if any, for the Issue will be as per the Memorandum of Understanding executed between our Company and the BRLM dated September 16, 2011, a copy of which is available for inspection at our Registered Office and forms part of Material Contracts & Documents.

#### **Fees payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue, Cameo Corporate Services Limited, will be as per the Memorandum of Understanding executed between our Company and the Registrar dated June 22, 2010 a copy of which is available for inspection at our Registered Office and forms part of Material Contracts & Documents.

Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in this Red Herring Prospectus or send allotment advice by registered post / speed post / under certificate of posting.

#### **Particulars regarding Public or Rights Issues during last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad in the five (5) years preceding the date of this Red Herring Prospectus.

#### **Previous issue of Equity Shares otherwise than for Cash**

Our Company has not issued any equity shares for consideration other than cash, except Bonus Issue, as mentioned in the section titled 'Capital Structure' on page 26 of this Red Herring Prospectus.

#### **Underwriting Commission, brokerage, and selling commission on Previous Issues**

Since this is the Initial Public Offer 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.

#### **Companies under same Management**

No company under the same management within the meaning of Section 370 (1B) of the Companies Act has made any public issue or rights issue during the last three (3) years.



### Performance vis-à-vis Objectives

There has not been any previous public issue or rights issue of our Equity Shares. None of our Group Entities / Associates of the Company are listed on any Stock Exchange and have not made any public issue or rights issue of shares.

### Outstanding Debentures or Issue of Bonds or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

### Stock Market Data for our Company's Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchange.

### Mechanism for Redressal of Investor's Grievances

Our Company has constituted a Shareholders' / Investors' Grievance Committee to look into the redressal of the shareholders / investors 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 section titled "Shareholders' / Investors' Grievance Committee" beginning on page 114 under the section titled "Our Management" beginning on page no 105 of this Red Herring Prospectus. To expedite the process of share transfer, our Company has appointed Cameo Corporate Services 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 Bid-cum-Application Form was submitted by the ASBA Bidders.

### Disposal of Investor's Grievances and Redressal Mechanism

We have appointed Cameo Corporate Services 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. No.	Nature of the Complaint	Time taken
1	Non-receipt of the refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2	Change of Address	Within 7 days of receipt of information.
3	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Our Company has appointed Mr. N. Gopalswamy, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. He can be contacted at the following address:

**Olympic Cards Limited**

195, N.S.C. Bose Road,

Chennai – 600 001,

**Tel.:** +9144- 25380652

**Fax:** +9144- 25390300

**Email:** office@oclwed.com

**Changes in Auditors**

There has been no change in Auditors of the Company in last three (3) years.

**Capitalisation of Reserves or Profits**

Except as stated in the section titled “Capital Structure” beginning on page no 26 of this Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

**Revaluation of Assets**

Our Company has not revalued its assets in the last five (5) years.

## SECTION IX - ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the terms of this Red Herring Prospectus, Bid-cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents / certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies and / or other authorities, as in force on the date of this Issue and to the extent applicable.

#### Authority for the Issue:

The issue of Equity Shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on August 01, 2010 subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The shareholders of our Company authorized and approved this Issue under section 81(1A) of the Act by a Special Resolution at EGM held on August 27, 2010.

#### Ranking of Equity Shares:

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu in all respects with the other existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of allotment of Equity Shares under this Issue will be entitled to receive dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section titled “Main Provisions of the Articles of Association of our Company” beginning on 224.

#### Mode of Payment of Dividend:

The declaration and payment of dividend 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 conditions. We shall pay dividends in cash and as per the provisions of Companies Act.

#### Face Value and Issue Price:

The Equity Shares with a face value of ₹ 10 each are being issued in terms of this Red Herring Prospectus at a price of ₹ [•] per share. The Floor Price is ₹ 30 and the Cap Price is ₹ 32 per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of book building. At any given point of time, there shall be only one denomination for the Equity Shares of our Company.

#### 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 powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, terms of the listing agreement executed with Stock Exchange and Memorandum & Articles of Association of the Company.

For further details on the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see "Main Provisions of the Articles of Association of the Company" beginning on page no. 229 of this RHP.

#### **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 Regulations, 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 200 Equity Shares to the successful bidders.

#### **Nomination Facility to the 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 allotted, transferred, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company 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:

To register himself or herself as the holder of the Equity Shares; or

To make such transfer of the Equity Shares, as the deceased holder could have made.

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

Since, the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Bid/Issue Programme:**

BID/ISSUE OPENS ON	March 09, 2012
BID/ISSUE CLOSES ON	March 13, 2012

#### **Minimum Subscription:**

If our Company does not receive the minimum subscription of 90% of the Issue to the Public including devolvement of the members of the Syndicate/ underwriters, if any, within 60 days from the Bid / Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is any delay beyond eight days after the issuer becomes liable to pay the amount we and every Director of our Company who is an officer in default, shall pay the amount with interest as per Section 73 of the Companies Act, 1956.

Further, in accordance with sub-regulation (4) of regulation 26 of SEBI (ICDR) Regulations we shall ensure that the number of prospective allottees to whom the Equity Shares are allotted will not be less than 1,000. 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 8 days after we become liable to refund the subscription amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

#### **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.

#### **Restriction on transfer of shares**

There are no restrictions on transfer and transmission of Equity Shares and on their consolidation / splitting except as provided in our Articles. See the section titled - Main Provisions of the Articles of Association beginning on page 229.

#### **New financial instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes etc. issued by our Company.

#### **Option to receive securities in Dematerialized Form**

Allotment to all successful Bidders will only be in dematerialized form. Bidders will not have the option of receiving Allotment of the Equity Shares in physical form.

### ISSUE STRUCTURE

The present Issue comprising of [●] Equity Shares of Rs 10 each aggregating upto ₹ 2500.00 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
Number of Equity Shares*	Upto [●] Equity Shares of ₹ 10 each at a price of ₹ [●] aggregating upto ₹ 1250.00 Lacs	Not less than [●] Equity Shares of ₹ 10 each at a price of ₹ [●] aggregating upto ₹ 375.00 Lacs	Not less than [●] Equity Shares of ₹ 10 each at a price of ₹ [●] aggregating upto ₹ 875.00 Lacs
Percentage of Issue Size available for Allotment / Allocation	Up to 50% of Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) The balance Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 200 Equity Shares so that the Bid Amount exceeds ₹ 2,00,000	Such number of Equity Shares in multiples of 200 Equity Shares that the Bid Amount exceeds ₹ 2,00,000	200 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 2,00,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	200 Equity Shares in multiples of 200 Equity Shares.	200 Equity Shares in multiples of 200 Equity Shares.	200 Equity Shares in multiples of 200 Equity Shares.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign	Resident Indian individuals, NRIs (applying for an amount exceeding ₹ 2,00,000), HUF (in the name of	Resident Indian individuals (including ASBA Bidders, NRIs and HUFs in the name of Karta), Eligible NRI's and HUF (in the name of

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	institutional investors 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 set up by Resolution F.NO. 02/03/2005 DD 11 dated November 23, 2005 of Government of India published in the Gazette of India, and insurance funds set up and managed by the army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts in India.”	Karta), Companies, Corporate Bodies, Scientific Institutions Societies and Trusts.	Karta)
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form.		

\* Upto 50% of the Issue shall be allocated to QIBs on a proportionate basis subject to valid Bids received at a price above the Floor Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The balance of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them above the Floor Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated to the QIBs on proportionate basis. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids received at the Floor Price. Additionally, not less than 35% of the Issue will be available for allocation to Retail Individual Bidders subject to valid Bids being received at the Floor Price. Under-subscription in any category would be allowed to be met with spill-over from other categories or a

combination of categories at the discretion of our Company in consultation with the BRLM. For further details, see “Issue Procedure” on page 192 of this RHP. QIBs and NIIs must apply only through the ASBA process.

**\*\*** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

**#** In case of ASBA Bidders, the SCSB shall be authorized to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form.

### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue, including at any time after the Bid Opening Date but before the Allotment of the Equity Shares. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal, within two (2) days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchange. If our Company withdraws the Issue after the Bid Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after the Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchange.

### **Bidding/Issue Programme**

BID/ISSUE OPENS ON	March 09, 2012
BID/ISSUE CLOSES ON	March 13, 2012

Bids and any revision in Bids shall be accepted only between 10.00 AM and 5.00 PM (Indian Standard Time) during the Bidding / Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA, the Designated Branches of the SCSBs / Syndicate ASBA, except than on the Bid/Issue Closing Date. On the Bid/Issue Closing Date, the Bids and any revision of bids (excluding the ASBA Bidders) shall be accepted only between 10:00 AM and 3:00 PM (Indian Standard Time) during the bidding period and shall be uploaded until (i) 4.00 PM in case of Bids by QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of ₹ 2,00,000 and (ii) until 5.00 p.m. or such extended time as permitted by BSE in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion, where the Bid Amount is up to ₹ 2,00,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSBs / Syndicate ASBA in the electronic system to be provided by 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 the physical form of the 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 / Syndicate ASBA.

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 on the Bid/ Issue Closing Date. The time mentioned at all places in this Red Herring Prospectus refers to the Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. 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 Members shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading the bids received from Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure. Bids will be accepted only on Business days, i.e. Monday to Friday (excluding any public holiday).

**Investors please note that as per letter no. List/smd/sm/2006 dated July 03, 2006 issued by BSE, bids and any revision in bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchange.**

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

## ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs and Non-Institutional Bidders can participate in the issue only through the ASBA process. Retail Individual Bidders can participate in the issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

SEBI vide its circular no. CIR/CFD/DIL/8/2010 dated October 12, 2010 and CIR/CFD/DIL/1/2011 dated April 29, 2011 has authorised the Syndicate Member / Sub-Syndicate Members (Stock brokers registered with SEBI) to procure Bid-cum-Application forms from the investors, upload the bids and other relevant details of such Bid-cum-Application forms in the bidding platform provided by the stock exchange and forward the same to the designated SCSBs.

It may be noted that pursuant to the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 ASBA facility has been made mandatory for non-retail investors (i.e. Qualified Institutional Buyers and Non-Institutional Investors) from May 02, 2011.

Our Company and the BRLM are not liable for any amendments, modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus.

### **Book Building Procedure**

The Issue is being made through the 100% book building method where in up to 50% of the Issue to Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated to mutual funds). Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to 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.

Any Bidder (other than Anchor Investors) may participate in this Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid amounts will be blocked by SCSBs. Non- retail investors are mandatorily required to make use of the ASBA facility. All ASBA Bidders can submit their Bids through the Syndicate (at Syndicate ASBA Centres). Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate/ sub-syndicate members may procure the Bid cum Application Form from investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchange and forward the same to the SCSBs.

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

**Investors should note that Allotment of Equity Shares to all successful Bidders will be only in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders'**

depository accounts including DP ID, PAN and beneficiary account number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only on the dematerialised segment of the Stock Exchange.

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

Bidders (excluding the ASBA bidders who can only bid at cut-off price) 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 (5) bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the Equity Shares of the Issuer Company at various prices and is collated ASW from bids received 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	7,000	250.00%

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

### Bid-cum-Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate or sub-syndicate members. Such 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.

ASBA Bidders including QIBs and Non Institutional Bidders, shall submit the Bid cum Application Form to the SCSB / Syndicate ASBA (Syndicate / Sub – syndicate members at the Syndicate ASBA Centres may procure the Bid cum Application Form from investors and submit the same to SCSBs) authorizing blocking of funds that are available in the bank account specified in the Bid cum Application Form only. ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form. In case of application in physical form, the ASBA bidders shall submit a complete form to the designated branch of SCSBs or to the Syndicate ASBA. In case of

application in electronic form, the ASBA bidders shall submit a complete form either through the internet banking facility available with the SCSBs or Syndicate ASBA or such other electronically enabled mechanism for bidding and blocking funds that are available in the bank account specified in the Bid cum Application Form only. The Bid cum Application Form will also be available on the website of BSE at least one day prior to the Bid/Issue Opening Day. The BRLM and the SCSBs will provide the hyperlink to the BSE's website on their respective websites. Only QIBs can participate in the Anchor Investor Portion.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorized the 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 Bidder or the ASBA Bidder.

### Who Can Bid?

- Indian nationals resident in India who are majors, or in the name of their minor children as natural/ legal guardians in single or joint names (not more than three);
- HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
- Indian Mutual Funds registered with SEBI;
- Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category;
- 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 who are authorized under their constitution to invest in Equity Shares;
- Pension funds with minimum corpus of ₹ 2500 Lacs and who are authorized under their constitution to invest in Equity Shares;
- Multilateral and bilateral development financial institutions;
- National Investment Fund set up by resolution F. No. 02/03/2005-DD-11 dated November 23, 2005 of Government of India;
- Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
- Eligible Non-residents including NRIs and FIIs on a repatriation / non- repatriation basis subject to applicable local laws;
- Scientific and / or industrial research organizations authorized under their constitution to invest in Equity Shares;
- Eligible employees;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts in India; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations, Overseas Corporate Bodies (OCBs) cannot bid / participate in this issue.

**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.

#### **Participation by associates and affiliates of the BRLM and the Syndicate Member(s)**

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM and Syndicate Member(s) may subscribe for the Equity Shares in the Issue, including in the QIBs and Non-Institutional portion where the allocation is on proportionate basis. Such holding or subscription may be on their own account or on behalf of their clients.

#### **Bids by Mutual Funds**

Under the ICDR Regulations, 5% of the QIB Portion, i.e. 2,04,525 Equity Shares have been specifically reserved for mutual funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 2,04,525 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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 single 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.

#### **Bids 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. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of the Company.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, by the SEBI (Foreign Institutional Investors) (Amendment) Regulations, 2008 ("SEBI Regulations"), an FII, as defined in the SEBI Regulations, or its sub account may issue, deal or hold, off-shore derivative instruments (defined under the SEBI Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in

India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any off-shore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Member(s) that are FIIs may issue offshore derivative instruments against the Equity Shares allotted to them in the Issue. Any such off-shore derivative instrument does not constitute any obligation or claim or claim on or an interest in the Company.

### **Bids by Eligible NRIs**

NRI Bidders to comply with the following:

Individual NRI Bidders can obtain the Bid cum Application Forms (blue in color) from our Registered Office, members of the Syndicate or the Registrar 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 color).

Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

### **Bids by SEBI registered Venture Capital Funds (VCF) and Foreign Venture Capital Investors (FVCI)**

The SEBI (Venture Capital Funds) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

The SEBI has issued a press release on June 26, 2006 stating that the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Red Herring Prospectus with the SEBI.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lacs, 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 of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

**The above information is given for the benefit of the Bidders. The Bidders are advised to make their own inquiries about the limits applicable to them. Our Company and the BRLM are not liable for informing the investors of, any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the applicable investment limits under laws or regulations or the maximum number of Equity Shares that can be held by them under applicable laws. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove.**

#### **Maximum and Minimum Bid size**

##### **For Retail Bidders:**

The Bid must be for minimum [●] number of 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 or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

##### **For Others (Non-Institutional Bidders and QIBs) Bidders:**

The Bid must be for a minimum of such number of Equity Shares in multiples of [●] 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 Issue to the public. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI (ICDR) Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.



In case of revision 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’.

**Non – retail Investors i.e. QIBs and Non Institutional Investors who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.**

**Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations or as specified in the Red Herring Prospectus.**

#### **Information for the Bidders**

- The Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English national daily and Hindi national daily) and one regional language newspaper with wide circulation. This advertisement shall be in the prescribed format.
- Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- The Company may decide to close bidding by QIBs one day prior to the Bid/Issue Closing Date provided that Bidding shall be kept open for a minimum of three days for all categories of Bidders. The Company’s decision to close Bidding by QIBs one day prior to the Bid/Issue Closing Date shall be disclosed in the Red Herring Prospectus to be filed with the RoC.
- The Price Band shall be advertised at least two days prior to the Bid Opening Date/Issue Opening Date.
- Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.
- Any bidder (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of this RHP along with the Bid cum Application Form can obtain the same from the registered office of the Company or from the BRLM or from a member of the Syndicate or the SCSBs. In addition, electronic Bid cum Application Forms shall be available on the websites of SCSBs. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.
- Eligible Bidders who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids or they can also submit the completed forms to the Syndicate ASBA.
- The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the Syndicate Member / SCSBs, otherwise the same will be rejected. ASBA Bidders bidding through Syndicate ASBA should submit their Bids to the members of the Syndicate. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs. Bidders applying through the ASBA process also have an option to submit the Bid cum Application Form in electronic form.
- The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate



do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

### ***ASBA Bidders***

It may be noted that with effect from May 01, 2011, non – retail Bidders i.e. QIBs and Non Institutional Investors shall mandatorily utilise the ASBA facility to submit their Bids.

- Copies of Bid cum Application Forms will be available for downloading and printing, from the website of BSE (which provide electronic interface for ASBA facility) at least 1 day prior to the Bid / Issue Opening Date. A unique application number will be generated for every Bid cum Application Form downloaded and printed from the websites of the Stock Exchange. The BRLM and the SCSBs will provide the hyperlink to the BSE's website on their websites.
- The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and Bid cum Application Forms to the members of the Syndicate and the SCSBs. The members of the Syndicate and the SCSBs will then make available such copies to non- retail Investors who are required to apply in this Issue through the ASBA process and retail Investors intending to apply in this Issue through the ASBA process. Additionally, the BRLM shall ensure that the members of the Syndicate and the SCSBs are provided with soft copies of the abridged prospectus as well as the Bid cum Application Forms and that the same are made available on the websites of the SCSBs.
- ASBA Bidders, under the ASBA process, who wish to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain such documents from the Designated Branches of the SCSBs, BRLM or Syndicate ASBA located at the Syndicate ASBA Centres. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the Bid cum Application Form in electronic form from the websites of the SCSBs and the Stock Exchange.
- The Bids should be submitted on the prescribed Bid cum Application Form either in physical mode or in electronic mode through the internet banking facility offered by an SCSB for bidding and blocking funds in the bank account maintained with the SCSB specified in the Bid cum Application Form. ASBA Bidders at Syndicate ASBA Centres may also submit the Bid cum Application Form to the Syndicate ASBA. The Syndicate ASBA are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the stock exchange and forward the same to the SCSBs.
- The Bid cum Application Forms should bear the stamp of a member of the Syndicate and/or the Designated Branch of the SCSB. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate and/or an SCSB will be rejected.
- ASBA Bidders shall correctly mention the bank account number in the Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the Bid cum Application Form to the applicable Designated Branch or Syndicate ASBA in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat.
- If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the account holder as provided in the Bid cum Application Form.

**Bidders may note that in case the details of DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate Members do not match with the details of DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form, is liable to be rejected.**

### **Instructions for Completing the Bid cum Application Form**

Bidders other than ASBA Bidders can obtain Bid cum Application Forms and Revision Forms from the members of the Syndicate. ASBA Bidders can obtain Bid cum Application Forms and/or Revision Forms from the Designated Branches of the SCSBs and the Syndicate ASBA (at Syndicate ASBA Centres). ASBA Bidders can also obtain a copy of the Bid cum Application Forms and/or Revision Form in electronic form from the websites of the SCSBs and the Stock Exchange.

#### **Bids and revision of bids must be:**

- Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 2,00,000.
- For Non-Institutional Bidders 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 Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- Bids through ASBA must be made only in the prescribed Bid cum Application Form (if submitted in physical mode) or electronic mode. ASBA Bidders should correctly mention the ASBA Account number in the Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the Bid-cum-Application Form to the respective Designated Branch.
- If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the account holder as provided in the Bid cum Application Form.

#### **Submission of Bid cum Application Form**

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or bank drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted to the Designated Branches of the SCSBs / Syndicate ASBA.

No separate receipts shall be issued for the money payable on the submission of a Bid cum Application Form or Revision Form. However, the collection centre 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 record of the Bidder.

#### **General Instructions:**

##### ***Dos:***

- (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 the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB / Syndicate ASBA where the ASBA Bidder or the person whose bank account will be utilized by the Bidder for bidding;
- (f) With respect to the ASBA Bids ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- (g) Ensure that you request for and receive a TRS for all your Bid options;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of the SCSB / Syndicate ASBA;
- (i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs / Syndicate ASBA.
- (j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (k) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- (l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;
- (m) Ensure that the Bid is within the Price Band;
- (n) 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.

- (o) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application Form.
- (p) In addition, ASBA Bidders should ensure that:
  - the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder;
  - the correct bank account numbers have been mentioned in the Bid cum Application Form;
  - the authorisation box in the Bid cum Application Form has been correctly checked, or an authorisation to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the Bid cum Application Form in the ASBA Account maintained with a branch of the concerned SCSB;
  - an acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate ASBA in designated cities for the submission of the Bid cum Application Form has been obtained.

***Don'ts:***

- (a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- (b) For Bidders other than ASBA Bidders, do not submit a Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;
- (c) Do not Bid for lower than minimum Bid size;
- (d) 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;
- (e) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs / Syndicate ASBA, as applicable;
- (f) Do not pay Bid amount in cash, through stock invest, by money order or by postal order;
- (g) Do not provide your GIR number instead of PAN number;
- (h) Do not Bid at cut off price (for QIB Bidders, Non-Institutional Bidders for whom the Bid Amount exceeds ₹ 2,00,000);
- (i) Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
- (j) 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 laws / regulations;
- (k) Do not send Bid cum Application Forms by post, instead submit the same to a member of the Syndicate or the SCSBs only;

- (l) Do not submit the Bids without the full Bid Amount;
- (m) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar;
- (n) Do not Bid for allotment of Equity Shares in physical form;
- (o) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s).

### **Method and Process of Bidding**

- We, alongwith the BRLM, shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date after the filing of the Red Herring Prospectus with RoC and also publish the same and price band 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.
- 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.
- The Bidding Period shall be a minimum of 3 (three) working days and not exceed 10 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchange and published in two national newspapers (one each in English and Hindi) and one regional newspaper and on the websites of the BRLM and the Company, as appearing on the cover page and the Bidding Period shall be extended, for a minimum period of 3 (three) working days, subject to the total Bidding Period not exceeding 10 (ten) working days..
- During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorized agents to register their Bids. The Syndicate shall accept Bids from all the Bidders and have the right to vet the Bids during the Bid/Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs / Syndicate ASBA to register their Bids.
- Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” on page 204 of this RHP) 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.
- The Bidder cannot bid on another Bid cum Application Form after Bids have been submitted on one Bid cum Application Form to any member of the Syndicate or the SCSBs / Syndicate ASBA. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or the SCSBs / Syndicate ASBA will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled “Build up of the Book and Revision of Bids”.
- The Syndicate Members / SCSBs / Syndicate ASBA 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’ for each Bid cum

Application Form. It is the responsibility of the bidder to obtain the TRS from the Syndicate Member or the SCSBs / Syndicate ASBA.

- Along with the Bid cum Application Form, all Bidders will make payment in the manner described under paragraph titled “Escrow Mechanism, Terms of Payment and Payment into the Escrow Accounts” beginning on page 209 under this Chapter in the Red Herring Prospectus.
- In case of Bid Cum Application Form, the bidders may approach Syndicate ASBA / SCSBs to submit their bids. Upon receipt of Bid-cum-Application Form, the Syndicate ASBA will upload the Bid and other relevant details of Bid-cum-Application Form to the bidding platform and there after forward the Bid-cum-Application Form to SCSBs.
- Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal / failure of the Issue or until withdrawal / rejection of the Bid cum Application Form, 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 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.

**INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.**

#### **Bids at Different Price Levels and Revisions of Bids**

- The Bidders can bid at any price within the Price Band, in multiples of Re 1. The minimum application size should be in the range of ₹ 5,000 to ₹ 7,000.
- In accordance with SEBI (ICDR) Regulations, 2009, our Company in consultation with the BRLM 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 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.

- In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be suitably revised, if necessary, such that the minimum application is in the range of ₹ 5,000 to ₹ 7,000.
- Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchange, 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 BRLM and the terminals of the members of the Syndicate.
- We, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
- 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.
- Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- 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:
  - a. Revise their Bid; or
  - b. Make an 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 price.
- 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.
- When a Bidder has revised 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 Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.
- 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. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate ASBA (such Syndicate/ sub-syndicate member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the



electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

#### **Bidder's PAN, Depository Account and Bank Account Details**

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). Providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected." These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS and NEFT) or unblocking of ASBA Account. 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 dispatch / credit of refunds to the Bidders or unblocking of ASBA Account at the Bidders' sole risk and neither the BRLM nor the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form. Furnishing details of depositories account is mandatory and applications without depositories account shall be treated as incomplete and are liable to be rejected.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN 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.**

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/NECS credit for refunds/direct credit of refund/ CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**Refund orders (where refunds are not being made electronically) / Allotment Advice / CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders / CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.**

**In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole / First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.**



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 Rupees drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

### **Electronic Registration of Bids**

The Syndicate Members and the SCSBs / Syndicate ASBA will register the Bids using the on-line facilities of the Stock Exchange.

The Syndicate Members and the SCSBs / Syndicate ASBA will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs / Syndicate ASBA, (ii) the Bids uploaded by the Syndicate Members and the SCSBs / Syndicate ASBA, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs / Syndicate ASBA or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate Members and/or the SCSBs / Syndicate ASBA shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

The Stock Exchange will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorized agents and the SCSBs / Syndicate ASBA during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs / Syndicate ASBA can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs / Syndicate ASBA shall upload the Bids till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.

Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand and price as available on the website of the Stock Exchange would be made available at the Bidding centres during the Bid/Issue Period.

At the time of registering each Bid other than ASBA Bids, the Syndicate Members shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders 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, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares Bid for
- Bid Amount
- Cheque Details
- Bid cum Application Form number
- DP ID and client identification number of the beneficiary account of the Bidder
- PAN

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs / Syndicate ASBA shall enter the following information pertaining to the Bidder into the online system:

- Name of the Bidder(s)
- Application Number
- PAN (of First Bidder, in case of more than one Bidder)
- Investor Category and Sub-Category

Retail	Non- Institutional	QIB
(No sub category)	Individual Corporate Other	Mutual Funds Financial Institutions Insurance companies Foreign Institutional Investors other than corporate and individual sub-accounts

- Employees / shareholders (if reservation)
- DP ID and client identification number
- Beneficiary account number of Equity Shares Bid for
- Quantity
- Bid Amount
- Bank account number
- Cheque amount and
- Cheque number

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 Syndicate or the Designated Branches of the SCSBs / Syndicate ASBA. The registration of the Bid by the Syndicate Member or the Designated Branches of the SCSBs / Syndicate ASBA does not guarantee that the Equity Shares shall be allocated/ allotted either by the Syndicate or our Company.

Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

In case of QIB Bidders, only the BRLM and their affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids will be rejected on technical grounds listed on page 214. The Syndicate Members may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs / Syndicate ASBA shall have no right to reject Bids, except on technical grounds.

The permission given by the Stock Exchange 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 and / or the BRLM are cleared or approved by the Stock Exchange, 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, the Promoters, the management or any scheme or project of our Company, nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

Only Bids that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation / Allotment. Syndicate Members will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between BSE and the Syndicate Members or the Designated Branches of the SCSBs / Syndicate ASBA, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Members finds any discrepancy in the DP name, DP Id and the Client Id, the Syndicate Members will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

#### **Escrow mechanism, terms of payment and payment into the Escrow Accounts**

##### **Payment Instructions**

##### **Escrow Mechanism for Bidders other than ASBA Bidders**

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make the cheque or demand draft with respect to his or her Bid and / or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date.

The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

**The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the BRLM, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.**

##### **Payment mechanism for ASBA Bidders**

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The

SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the ASBA Bid, as the case may be.

#### **Payment into Escrow Account for Bidders other than ASBA Bidders**

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and / or on allocation / Allotment as per the following terms:

- All the Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
- The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate Members. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
- The payment instruments for payment into the Escrow Account should be drawn in favour of:

In case of Resident Retail Individual Bidders: “Escrow Account – Olympic Public Issue - R”

In case of Non-Resident Retail Individual Bidders: “Escrow Account – Olympic Public Issue - NR”

- In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupees 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 the banks authorized to deal in foreign exchange in India, along with the documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- In case of Bids by NRIs are applied on non-repatriation basis, the payments must be made through Indian Rupees 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 the documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
- The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

- On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- On the Designated Date and no later than 10 Working Days from the Bid/Issue Closing Date, the Escrow Collection Banks shall also refund all amounts payable to unsuccessful Bidders (other than the ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation / Allotment to such Bidders.
- Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques / bank drafts drawn on the banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash / stock invest / money orders / postal orders will not be accepted.
- In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
- Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

#### **Payment mechanism for ASBA Bidders**

***Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue***

ASBA Bidders shall specify the bank account number in the Bid cum Application Form which is to be submitted to the Syndicate ASBA/ SCSBs. The Syndicate ASBA shall in turn forward the Bid cum Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form, failure of the Issue or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Upon completing and submitting the Bid-cum-Application Form to the Designated Branch of SCSBs or the Syndicate ASBA, (at the Syndicate ASBA Centres) whether in physical or electronic mode, the ASBA Bidder is deemed to have authorised 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 Bidders.

Upon submission of a Bid cum Application Form with the SCSB or the Syndicate ASBA, (at the Syndicate ASBA Centres) 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 to block such Bid Amount in the ASBA Account. A Bid cum Application 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. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application

Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

***Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 (i) Non-Institutional Bidders and QIB Bidders are required to mandatorily apply through ASBA, and (ii) the Syndicate ASBA may procure the Bid cum Application Form from the investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit it to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the stock exchange and forward the same to the SCSBs.***

## **Other Instructions**

### **Joint Bids in case of Individuals**

Individuals may make bid in single or joint names (not more than three). In case of the joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Bids**

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, illustrations of certain procedures which may be followed by the Registrar to the Issue to detect multiple applications are provided below:

- 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.
- In this master, a check will be carried out for the same PAN / GIR numbers. In cases where the PAN / GIR numbers are different, the same will be deleted from this master.
- 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.
- Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print out of the addresses will be taken to check for the common names. The applications with same name and same address will be treated as multiple applications.
- 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.

- Subsequent to the aforesaid procedures, a print out of the multiple masters 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.

After Bidding on a Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchange, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid cum Application Form. Submission of a second Bid cum Application Form, to either the same or to another Designated Branch of the SCSB / Syndicate ASBA, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "*Build up of the Book and Revision of Bids*".

Our Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

#### **Permanent Account Number (PAN)**

The Bidders or in the case of Bids made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I. T. Act. In accordance with the SEBI (ICDR) Regulations, 2009, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction.

**Any Bid cum Application Form without the PAN is 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.**

#### **Rejection of Bids**

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject the Bids based on technical grounds and/or as specified in the Red Herring Prospectus. Consequently, refunds shall be made by NEFT / NECS / Direct Credit / cheque or pay order or demand draft and will be sent to the Bidder's address at the Bidder's risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB / Syndicate ASBA, our Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in the Red Herring Prospectus. Bids submitted by QIBs or Non-Institutional Bidders who do not utilise the ASBA facility shall be rejected.



### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected inter-alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- 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;
- Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest / money order / postal order / cash;
- Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, 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 Forms;
- 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 account number;



- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;
- Bids by persons in the United States excluding “Qualified Institutional Buyers” as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchange; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Bids by persons prohibited from buying, selling or dealing in securities directly or indirectly by SEBI or any other regulatory authority shall be rejected by the BRLM.
- Any other reason which the BRLM or our Company deem necessary.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGE OR THE SYNDICATE / THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES.**

#### **Build Up of the Book and Revision of Bids**

- Bids registered by various Bidders through the Syndicate Members shall be electronically transmitted to the Stock Exchange’s mainframe on a regular basis.
- The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- During the Bid/Issue 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 .
- Revisions can be made in both the desired numbers of the Equity Shares and the bid price by using the Revision Form as the case may be. 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. Incomplete or inaccurate Revision Forms will not be accepted by the Syndicate Members and the Designated Branches of the SCSBs.

- 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 Syndicate Members 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.
- 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate Members shall collect the payment in the form of cheque or demand draft, 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. In such cases, the Syndicate Members will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
- When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Members. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- Only Bids that are uploaded on the online IPO system of BSE shall be considered for allocation/allotment. In case of discrepancy of data between Stock Exchange and Syndicate Members, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding to all concerned.
- In case of ASBA Bids, after the Bid/Issue Closing Date, the SCSBs shall provide to the Registrar to the Issue aggregate information relating to the total number of Bid cum Application Forms uploaded and the total number of Equity Shares and total amount blocked against the uploaded Bid cum Application Forms. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchange and the information received from the SCSBs.

### **Price Discovery and Allocation**

- After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with us.
- Our Company, in consultation with the BRLM shall finalize the “Issue Price”, the number of Equity Shares to be allotted in each investor’s category.
- The allocation to Non-Institutional Bidders and Retail Individual Bidders would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, the RHP and Prospectus in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- In case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders out of which 5% shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB portion will also be eligible for allocation in the remaining QIB portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders in proportion to their bids. Further, at least 15% of the issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and at least 35% of the issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids received at or above the Issue Price.

- 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 BRLM. 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.
- Allocation to NRI's, 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.
- In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- The BRLM, 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.
- Our Company in consultation with the BRLM, reserves the right to cancel or withdraw the Issue at any time after the Bid/Issue Opening Date but before allocation. If our Company withdraws the Issue, it shall issue a public notice that shall include reasons for such withdrawal within two days of the closure of the issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements had appeared and our Company shall promptly inform the Stock Exchange about the same. If our Company withdraws the Issue after the Bid Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.
- Our Company in consultation with the BRLM reserves the right to reject any Bid procured from QIB Bidders, by any or all of the Syndicate Members. Rejection of Bids by QIBs bidding in the QIB Portion, if any, will be made at the time of submission of the Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
- If an ASBA Bidder wants to withdraw the Bid cum Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to a Syndicate member the SCSB, through whom the applicant had placed the original bid, which shall perform the necessary actions, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchange and unblocking of funds in the relevant bank account.
- If an ASBA Bidder, excluding QIB Bidder wants to withdraw the Bid cum Application Form after the Bid / Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
- The allotment details shall be uploaded on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and ROC Filing**

Our Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

After signing the Underwriting Agreement, we will update and file the updated RHP with RoC, which then would be termed as 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangement and would be complete in all material respects.

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act.

#### **Filing of Red Herring Prospectus and Prospectus with 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, Tamil Nadu situated at Chennai. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Tamil Nadu situated at Chennai.

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 format prescribed in the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper with wide circulation, and a regional language newspaper with wide circulation at the place where the registered office of the Issuer is situated.

#### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement in an English national newspaper, and a Hindi national newspaper and a regional language newspaper each with wide circulation, 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 Confirmation of Allocation Note (CAN)**

- Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM, the Registrar to the Issue shall send to the Syndicate Members a list of their Bidders who have been allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allotment for the Retail and Non-Institutional Bidders. However, the investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all the investors in this Issue shall be done on the same date.
- The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.

#### **Unblocking of ASBA Account**

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. 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 the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

#### **Designated Date and Allotment of Equity Shares**

- Our Company will ensure that (i) the Allotment of Equity Shares and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.
- In accordance with the SEBI Regulations, 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 so allotted as per the provisions of the Companies Act and the Depositories Act.
- Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

#### **BASIS OF ALLOTMENT**

##### **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 allotment to all the successful Retail individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allotment 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 [•] Equity Shares aggregating to Rs [•] Lacs at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the aggregate demand in this category is greater than [•] Equity Shares aggregating to Rs [•] Lacs at or above the Issue Price, the allotment 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. Refer below for the method of proportionate basis of allotment.

##### **For Non Institutional Bidders**

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less allotment to QIBs and Retail Portion shall be available for allotment 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 [•] Equity Shares aggregating to Rs [•] Lacs at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [•] Equity Shares aggregating to Rs [•] Lacs at or above the Issue Price then the allotment 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. Refer below for the method of proportionate basis of allotment.

#### **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 allotment to all the QIBs will be made at the Issue Price.
- The QIB portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- The allotment shall be undertaken in the following manner –
  - a. In the first instance, allocation to mutual funds for 5% of the QIB portion shall be determined as follows-
    - i. In the event that bids from mutual funds exceed 5% of the QIB portion, allotment to mutual funds shall be done on a proportionate basis for 5% of the QIB portion.
    - ii. In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the Issue Price.
    - iii. Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
  - b. In the second instance, allotment to all QIBs shall be determined as follows –
    - i. In the event that there is over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
    - ii. Mutual Funds, who have received allotment as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - iii. Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate allotment to QIB Bidders shall be up to [•] Equity Shares.

There is no differential pricing in the Issue.

There are no Anchor Investors in the Issue.

#### Illustration of Allotment to QIBs and Mutual Funds (“MF”)

##### Issue Details

Sr. No.	Particulars	Issue Details
1	Issue Size	200 Million Equity Shares
2	Allocation to QIB (50%)	100 Million Equity Shares
3	Anchor Investor Portion (If Any)	30 Million Equity Shares
4	Portion available to QIBs other than Anchor Investors [(2) - (3)]	70 Million Equity Shares
	Of Which:	
	Allocation to MF (5%)	3.50 Million Equity Shares
	Balance for all QIBs including MFs	66.50 Million Equity Shares
5	No of QIB applicants	10
6	No of Shares applied for	500 Million Equity Shares

##### Details of QIB Bids

Sr. No.	Type of QIB bidders*	No. of Shares bid for (In Millions)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

\* A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

##### Details of Allotment to QIB Bidders / Applicants

Type of QIB bidders	Shares bid for	Allocation of 3.5 million equity shares to MF proportionately (please see note 2 below)	Allocation of balance 66.5 million equity shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	6.70	0
A2	20	0	2.68	0
A3	130	0	17.41	0

A4	50	0	6.70	0
A5	50	0	6.70	0
MF1	40	0.70	5.26	5.96
MF2	40	0.70	5.26	5.96
MF3	80	1.40	10.53	11.93
MF4	20	0.35	2.63	2.98
MF5	20	0.35	2.63	2.98
	500	3.50	66.50	29.81

**Please Note:**

The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in “Issue Structure” beginning on page 188.

Out of 70 million Equity Shares allocated to QIBs, 3.5 million (i.e. 5%) will be allocated on proportionate basis among five mutual fund applicants who applied for 200 million Equity Shares in QIB category.

The balance 66.50 million Equity Shares (i.e. 70 – 3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who have applied for 500 million Equity Shares (including five MF applicants who applied for 200 million Equity Shares).

The figures in the fourth column entitled “Allocation of balance 66.50 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

For QIBs other than Mutual Funds (A1 to A5) = No. of Equity Shares bid for (i.e. in column II) X 66.50/496.50.

For Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 66.50/496.50.

The numerator and denominator for arriving at allocation of 70 million Equity Shares to the 10 QIBs are reduced by 3.5 million Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

**Method of Proportionate Basis of Allotment**

In the event of the Issue being over-subscribed, the Company shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner. Allotment to the Bidders shall be made in the marketable lots on a proportionate basis as explained below:

- Bidders will be categorized according to the number of Equity Shares applied for.
- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.



- Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
  - i. Each successful Bidder shall be allotted a minimum of 200 Equity Shares; and
  - ii. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
  - iii. If the Equity Shares allotted on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

#### **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 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:

- An Agreement dated November 23, 2010 among NSDL, Registrar and our Company.
- An Agreement dated October 05, 2010 among CDSL, Registrar and our Company.

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:

- 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.
- 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 the Revision Form.

- Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 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).
- If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or the Revision Form, it is liable to be rejected.
- The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL.
- The trading of Equity Shares of the Company would only be in dematerialized form for all the investors in the demat segment of the Stock Exchange.
- Investors are advised to instruct their DP to accept the Equity Shares that may be allotted to them, pursuant to the Issue.

### **Communications**

All future communication in connection with the Bids to be made for this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the Syndicate Member where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders 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 accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs / Syndicate ASBA, the Bidders can contact the Designated Branches of the SCSBs / Syndicate ASBA.

### **Pre-Issue and Post Issue Related Problems**

We have appointed Mr. N. Gopalswamy as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

#### **OLYMPIC CARDS LIMITED**

**195, N.S.C. Bose Road,**

**Chennai – 600 001**

**Tel: +9144- 25380652;**

**Fax: +9144- 25390300**

**Email: office@oclwed.com**

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

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.”

## **Payment of Refund**

Bidders other than the ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition (—MICR||) code as appearing on a cheque leaf. 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 despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue and the BRLM shall be liable to compensate such Bidders for any losses caused to them due to any such delay or liable to pay any interest for such delay.

## **Mode of making refunds to Bidders other than ASBA Bidders**

The payment of refunds, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

**NECS:** Payment of refunds would be done through NECS for applicants having an account at any of the centres where such facility has been made available. 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 centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

**Direct Credit:** Applicants having bank accounts with the Refund Bank(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.

**NEFT:** Payment of refund shall be undertaken through NEFT wherever the applicant's 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. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence, use of NEFT is subject to operational

feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched 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 encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

#### **Mode of making refunds for ASBA Bidders**

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 10 working days of the Bid/Issue Closing Date.

#### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 12 working days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS or direct credit the refund instructions will be given to the clearing system within 12 working days from the Bid/Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 working days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 12 working days of Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 12 (twelve) working days of the Bid/Issue Closing Date;
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 working days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidders' Bank Account shall be made within 12 working days from the Bid/Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond 12 working days from the Bid/Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and / or demat credits are not made to investors within 12 working days as mentioned above.

### **Letters of Allotment or Refund Orders or Instructions to SCSBs**

Our Company shall give credit to the beneficiary account with Depository Participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where the applicant is otherwise disclosed as eligible to get refunds through direct credit. Our Company 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 at the sole or First Bidder’s sole risk within 12 working days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 working days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 working days of the Bid/Issue Closing Date.

### **Procedure and Time Schedule for Transfer of Equity Shares**

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 March 09, 2012 and expire on March 13, 2012. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment based on the bids received and subject to the confirmation by the BSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 12 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchange, the Equity Shares will be listed and trading will commence.

### **Interest in case of delay in Dispatch of Allotment Letters / Refund Orders / instruction to the SCSBs by the Registrar to the Issue**

Our Company agrees that (i) Allotment of Equity Shares and (ii) credit to the successful Bidders’ depository accounts will be completed within 12 working days of the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been dispatched to the applicants or if in the case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 12 working days from the Bid/ Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centre’s will be payable by the Bidders.

### **Undertaking by the Company**

Our Company undertake as follows:

- That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 7 working days of finalisation of basis of allotment;
- That the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading “Mode of Making Refunds” in the section “Issue Procedure” on page 225 of this RHP shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 working days of the closure of Issue, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
- That the certificate of securities / refund orders to the Eligible NRIs or FIIs shall be dispatched within specified time;
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount (ASBA) applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- That no further Issue of Equity Shares shall be made until the Equity Shares issued through this RHP are listed or until the Bid monies are refunded on account of non-listing, under subscription etc;

At any given time there shall be only one denomination for the shares of our Company;

Our Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

#### **Utilization of Issue Proceeds**

Our Board of Directors certifies that:

- All monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilized out of Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

## SECTION X – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

<b>Prohibition of Investment of funds in Company's own shares</b>	<b>3</b>		Except as provided by Section 77, no part of funds of the Company shall be employed in the purchase of the shares of the company, and the company shall not give directly or indirectly and whether by means of loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or subscription made or to be made by any person of or for any shares in the Company.
<b>Capital</b>	<b>4</b>		The authorized share capital of the company shall be as mentioned in Clause V of Memorandum of Association.
<b>Shares under the control of the Directors</b>	<b>5</b>		Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at a discount subject to compliance with the provisions of Section 79 and at such times as they may from time to time, think fit and proper, and with the sanction of the Company in General Meeting give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks it fit.
		<b>a)</b>	The company may opt to be a depository, if the Board of Directors so consider and shall if the SEBI requires the Company to be depository, the Board of directors may take such steps as may be necessary to have its securities dealt with in fungible form and partly in physical form or and partly in demat form as the case may be. The Board of Directors will also have power to have demat shares converted into shares in a physical form at the option of the shareholders, if such a course is permissible in law.
		<b>b)</b>	The Board of Directors shall also have power if and in any event of the legislation permitting the Company to issue shares without voting rights, may issue shares without voting rights on such terms and conditions as they may deem fit subject to the provisions of the Companies Act and other applicable provisions regulating the voting rights.
		<b>c)</b>	Company may, subject to the provisions of Section 77A & 77B of the Companies Act, purchase its own shares or other specified securities out of its free reserves or the securities premium account or the proceeds of any other shares or specified securities and also issue sweat equity shares subject to fulfillment of conditions as mentioned in Section 79A of the Companies Act and can also issue shares to the employees of the Company or its associate companies under the employees stock option scheme as may be framed and followed in accordance with the guidelines that are notified, issued or may be issued by the Securities and Exchange Board of India.
<b>Dematerialisation of Securities</b>	<b>5A</b>		For the purpose of this article  <b>'Beneficiary Owner'</b> means a person or persons whose name is recorded as such with a depository:  <b>'SEBI'</b> means Securities Exchange Board of India:  <b>'Depository'</b> means a company framed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a



		<p>depository under the Securities Exchange Board of India Act, 1982; and</p> <p><b>'Security'</b> means such security as may be specified by the SEBI board from time to time.</p> <p>Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.</p>
<b>Options for Investors</b>		<p>Every person subscribing to securities offered by the company shall have the option to receive security certificate or to hold securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificate of securities.</p> <p>If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p>
<b>Securities in Depositories To Be In Fungible Form</b>		<p>All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p>
<b>Rights of the Depositories and Beneficial Owners</b>		<p>a) Notwithstanding anything to the contrary contained in the Act or these Articles, depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>b) Save and as otherwise provided in (a) above, the depository as registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it</p> <p>c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of these securities, which are held by a depository.</p>
<b>Service of Documents</b>		<p>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p>
<b>Transfer of Securities</b>		<p>Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer or securities effected by a transferor and transferee both of whom are entered as beneficial owner in the records of a depository.</p>
<b>Allotment of Securities Dealt With In a Depository</b>		<p>Notwithstanding anything in the Act or these Articles, where a depository deals with securities, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p>
<b>Distinctive Number Of Securities Held In A Depository</b>		<p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held with a depository.</p>
<b>Register and Index of</b>		<p>The Register and Index of beneficial owner maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of</p>



<b>Beneficial Owner</b>			Members and Security holders for the purpose of these Articles.
<b>Power to issue Preference and Other Shares</b>	<b>6</b>		The Board may at its discretion issue any part or parts of the unissued shares on such terms and conditions and with such rights and privileges annexed there to as the Board at its discretion may determine and in particular such shares may be issued with such preferential or qualified right to divided and in the distribution of the assets of the company, or as preference shares which are or at the option of the company are to be liable to be redeemed as the Board may deem fit.
<b>Allotment of Shares</b>	<b>7</b>		Subject to the provisions of these Articles, the shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times as the Board thinks fit and if so authorized by the Company in General Meeting, give to any person the call of any shares either at par or at premium, and for such time and for such consideration as the Board thinks fit, provided that after the first allotment, upon the issue of any further shares the Board shall comply with the provisions of Section 81 unless they have obtained the sanction of the shareholders in General Meeting to the issue of such shares on other terms.
<b>Power of General Meeting to offer Shares to such persons as the Company may resolve</b>	<b>8</b>		In addition to and without derogating from the powers for the purpose conferred on the Board under Article 7 above, the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) giving them the option to call for or be allotted shares of any class of the Company either at a premium or at par, or at a discount (subject to compliance with the provisions of section 79) such options being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
<b>Further issue of capital</b>	<b>9</b>		The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital but subject to Section 81 of the Act and subject to the following conditions namely :
	<b>1)</b>	<b>a)</b>	such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares on that date.
		<b>b)</b>	the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer if not accepted will be deemed to have been declined.
		<b>c)</b>	the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
	<b>2)</b>		The Directors may with the sanction of the Company in General Meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by:
		<b>a)</b>	a special resolution passed at any General Meeting;
		<b>b)</b>	an ordinary resolution passed at a General Meeting by a majority of the votes cast with the approval of the Central Government in accordance with Section 81 of the Act, provided that an option of right to call of shares shall not be given to any person or persons except with the sanction of the company in general meeting".
	<b>3)</b>		Nothing in this article shall apply:
		<b>a)</b>	To the increase of the subscribed capital of the Company, caused by the

			exercise of an option attached to debentures issued or loans raised by the Company.
		<b>b)</b>	To convert such debentures or loans into shares in the Company; or
		<b>c)</b>	To subscribe for shares in the Company, provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;
		<b>i)</b>	has been approved by a Special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans also; and
		<b>ii)</b>	either has been approved by the Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
<b>Variation of rights</b>	<b>10</b>	<b>1)</b>	The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of that class), may, subject to the provisions of Sections 106 and 107 of the Act be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the Holders of the shares of that class.
		<b>2)</b>	To every such separate General Meeting, the provisions of these Articles relating to General Meetings shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.
<b>Issue of further shares shall not affect the rights of shares already issued</b>	<b>11</b>		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.
	<b>12</b>		Subject to Article 5(b), the Company shall not issue any shares (not being preference shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.
<b>Power to pay Commission.</b>	<b>13</b>		The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture stocks of the Company but if the commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five per cent of the price at which the shares are issued and in the case of debentures the rate of commission shall not exceed two and half per cent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
<b>Liability of joint holders of shares.</b>	<b>14</b>		The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.
<b>Trust not recognised</b>	<b>15</b>		Save as otherwise provided by these Articles, the Company shall be entitled to treat the Registered holder of any shares as the absolute owner thereof and accordingly the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only as by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
<b>Issue of shares for</b>	<b>16</b>	<b>a)</b>	The Board may issue and allot shares in the capital of the Company as payment

<b>consideration other than cash</b>			or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and Shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
		<b>b)</b>	As regards all allotments, from time-to-time made, the Board shall duly comply with Section 75 of the Act.
<b>Acceptance of Shares</b>	<b>17</b>		An application signed by or on behalf of the applicant for Shares in the Company, followed by an allotment of any shares therein, shall be acceptance of the shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.
<b>Members' right to Share Certificates</b>	<b>18</b>	<b>1)</b>	Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
		<b>a)</b>	One Certificate for all his shares; or
		<b>b)</b>	Where the shares so allotted at any one time exceed the number of shares fixed as market lot in accordance with the usages of the Stock Exchange, at the request of the shareholder several certificates one each per marketable lot and one for the balance.
		<b>2)</b>	The Company shall within three months after the allotment and within one month after application for registration of the transfer of any shares or debentures complete and have ready for delivery, the share certificates for all the shares and debentures so allotted or transferred unless the conditions of the issue of the said shares otherwise provide.
		<b>3)</b>	Every Certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
<b>One Certificate for Joint Holders</b>	<b>19</b>		In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of the several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 21 below.
<b>Renewal of Certificate</b>	<b>20</b>		If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate (on payment of fee, not exceeding Rupees Two as required by the Board) provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificates shall be marked as such in accordance with the Companies (Issue of Share Certificate) Rules, 1960 or any modification thereof for the time being in force.
<b>Splitting and consolidation of Share Certificates</b>	<b>21</b>		Any person (whether the registered holder of the shares or not) being in possession of any share certificate or share certificates for the time being may surrender the said share certificates or certificate to the Company and apply to the Company for the issue of two or more fresh share certificates comprising of the same shares, bearing the same distinctive numbers comprised in the said certificates and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates as the case may be in the name of the person or persons in whose name the original certificate or certificates stood and the new certificate so issued shall be delivered to the person who surrendered the original certificates or to his order.

		a)	Notwithstanding anything contained in Article 21 hereof the Board may refuse any application for sub-division or consolidation of number of shares into denomination of less than 50 Equity Shares except where such sub-division or consolidation is required to be made for compliance with any law or statutory regulation or an order of a competent court or a request from a member to convert his holding of odd lots of shares into transferable / marketable lots. Provided nevertheless that the Board may, at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause, or if so required by listing requirements (on each of them the Board's decision shall be final and conclusive) accept any application for sub-division or consolidation of number of shares into denomination of less than 50 Equity Shares of the Company.
<b>Directors may issue new certificates</b>	<b>22</b>		Where any shares under the powers in this behalf herein contained are sold by the Directors and the Certificate thereof has not been delivered upto the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.
<b>Person by whom installments are payable</b>	<b>23</b>		If, by the conditions of allotment of any share, the whole or part of the amount or 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 representatives or representative, if any.
		a)	The Board of Directors may permit the holder of shares / debentures / deposits to nominate any person, to whom his shares in or debentures / deposits of Company shall vest in the event of his death and may in addition to the manner prescribed under the provisions of the Companies Act consider framing of such procedure as may be necessary for regulating the nomination of shares / debentures / deposits of the Company under the provisions of the Companies Act.
<b>LIEN</b>			
<b>Company's lien on shares</b>	<b>24</b>		The Company shall have first and paramount lien upon all shares other than fully paid up shares registered in the name of any member, either individually or along or jointly with any other person and upon the proceeds or sale thereof for fixed time in respect of such shares and such lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. . Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. But the Directors at any time may declare any shares to be exempt, wholly or partially, from the provisions of this Article.
<b>As to enforcing lien by sale</b>	<b>25</b>		For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.
<b>Authority to transfer</b>	<b>26</b>	a)	To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
		b)	The purchaser 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 relating to the sale.
<b>Application of proceeds of sale.</b>	<b>27</b>		The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of the sale.

TRANSFER AND TRANSMISSION OF SHARES			
<b>Transfer</b>	<b>46</b>	<b>a)</b>	The instrument of transfer of any shares in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until, the name of the transferee is entered in the Register of members in respect thereof.
		<b>b)</b>	The Board shall not register any transfer of shares unless a proper instrument/common form of transfer has been used, as prescribed under the Companies Act, 1956 or any amendment thereto, duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
		<b>c)</b>	An application for the registration of the transfer of any share or 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 to be effected unless the company gives notice of the application to the transferee. The company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
		<b>d)</b>	For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.
		<b>e)</b>	Nothing in sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
		<b>f)</b>	Nothing in this Article shall prejudice the power of the Board to refuse to register the transfer of any shares to a transferee, whether a member or not.
	<b>47</b>		The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.
<b>Board's right to refuse to register</b>	<b>48</b>	<b>a)</b>	The board may, at their absolute discretion and without assigning any reason, decline to register:
		<b>1)</b>	The transfer of any share whether fully paid or not to a person of whom they do not approve, or
		<b>2)</b>	Any transfer or transmission of shares on which the company has a lien
			Provided that registration of any 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 a lien on the shares.
		<b>b)</b>	If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
		<b>c)</b>	In case of such refusal by the Board, the decision of the Board shall be subject to right of appeal conferred by Section 111 sub-clause (3).
		<b>d)</b>	The provision of this clause shall apply to transfers of stock also.

<b>Further right of the Board of Directors to refuse, to register</b>	<b>49</b>		The Board may also decline to recognise any instrument of transfer unless.
		<b>a)</b>	A fee of two rupees is paid to the Company in respect thereof
		<b>b)</b>	The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably be required to show the right of the transferor to make the transfer and
		<b>c)</b>	The Instrument of transfer is in respect of only one class of shares.
	<b>50</b>		The Company shall be entitled to charge a fee not exceeding two rupees on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instruments.
<b>Rights to Shares on death of a member for transmission</b>	<b>51</b>	<b>1)</b>	In the event of death of any one or more of several joint holders, the survivor or survivors, alone shall be entitled to be recognised as having title to the shares.
		<b>2)</b>	In the event of death of any sole holder or of the death of last surviving holder, the execution or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the company as having any title to the shares of the deceased.
			Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.
			Provided further that in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.
			Provided further that if the deceased shareholder was a member of Hindu joint family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors or the Karta thereof as having title to the shares registered in the name of such members.
<b>Rights and liabilities of a person</b>	<b>52</b>	<b>1)</b>	Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either;
		<b>a)</b>	to be registered himself as a holder of the share, or
		<b>b)</b>	to make such transfer of the share as the deceased or insolvent member could have made.
		<b>2)</b>	The board, shall, in either case have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
<b>Notice by such a person of his election</b>	<b>53</b>	<b>1)</b>	If the person so becoming entitled shall elect to be registered as holder, of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
		<b>2)</b>	If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share.
		<b>3)</b>	All the limitations, restrictions and provisions of these regulations relating to the right of transfer and the registration of transfers of shares shall be applicable to any such notice, or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.
	<b>54</b>		No transfer shall be made to a minor or a person of unsound mind.
<b>Endorsement on transfer and issue</b>	<b>55</b>		Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some person for the time being



<b>of Certificate</b>			duly authorised by the Board in that behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment (in addition to the transfer fee) of a sum of Rupee one for every such certificate of shares to which the said transfer relates and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.
			Provided that the additional sum of Rupee one shall not be charged for issue of new certificate in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have seen fully utilized.
<b>Custody of transfer</b>	<b>56</b>		The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
<b>Register of Members</b>	<b>57</b>	<b>1)</b>	The Company shall keep a book to be called the "Register of Members" and therein shall enter the particulars of every transfer or transmission of any shares and all other particulars of shares required by the act to be entered in such Register.
<b>Closure of Register of Members</b>		<b>2)</b>	The Board may after giving not less than seven days notice by advertisement in some newspapers circulating in the district in which the registered office of the company is situate, close the register of members or the register of Debenture Holders for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.
<b>When Instruments of transfer to be retained</b>		<b>3)</b>	All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.
	<b>57</b>	<b>a)</b>	The Company shall be entitled to maintain the Register of Members in such form and such mode as may be permitted under the provisions of the Companies Act and the Company be permitted to maintain "Foreign Registers" at the place other than the Registered Office of the Company as the Board of Directors may consider expedient.
<b>Company's right to register transfer by apparent legal owner</b>	<b>58</b>		The Company shall incur no liability or responsibility whatever in consequence of their 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 same shares notwithstanding that the company may have had notice of such equitable right or title or interest 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 by or required to regard or attend to 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 the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall think fit.
<b>ALTERATION OF CAPITAL</b>			
<b>Alteration and consolidation sub-division and cancellation of division</b>	<b>59</b>	<b>1)</b>	The Company may from time to time in accordance with the provisions of the Act alter the conditions of its Memorandum of Association as follows :
		<b>a)</b>	increase its share capital by such amount as it thinks expedient by issuing new shares;
		<b>b)</b>	consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
		<b>c)</b>	convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

		<b>d)</b>	sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid, on each reduced shares shall be the same as it was in the case if the shares from which the reduced share is derived.
		<b>2)</b>	The Resolution whereby any share is subdivided may determine subject to the provisions of the Act, as between the holders of the shares resulting from such sub-division one or more such shares shall have some preference of special advantage as regards dividend, capital or otherwise over or as compared with the others.
<b>Reduction of Capital etc., by Company</b>	<b>60</b>		The Company may, by Special Resolution, reduce in any manner and with and subject to any incident authorised and consequent required by law:
		<b>a)</b>	its share capital;
		<b>b)</b>	any capital redemption reserve account; or
		<b>c)</b>	any share premium account.
<b>SURRENDER OF SHARES</b>			
<b>Surrender of Shares</b>	<b>61</b>		The Directors may subject to the provisions of the Act accept the surrender of any shares by way of compromise of any question as to the holder being properly registered in respect thereof.
<b>MODIFICATION OF RIGHTS</b>			
<b>Power to modify shares</b>	<b>62</b>		The rights and privileges attached to each class of shares, may be modified commuted affected abrogated in the manner provided in Section 107 of the Act.
<b>CONVERSION OF SHARES INTO STOCK</b>			
<b>Conversion of Shares</b>	<b>64</b>		The Company may by ordinary resolution convert all or any fully paid shares of any denomination into stock and vice versa.
<b>Transfer of Stock</b>	<b>65</b>		The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit; provided that the Board may, from time to time fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
<b>Right of Stockholders</b>	<b>66</b>		The holders of the stock shall according to the amount of the stock held by them have the same right, privileges and advantages as regards dividends voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its 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.
<b>Applicability of Regulations to stock and stockholders</b>	<b>67</b>		Such of the regulations contained in these presents other than those relating to share warrants as are applicable to paid up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stock holders respectively.
<b>SHARE WARRANTS</b>			
<b>Issue of Share Warrants</b>	<b>68</b>	<b>(a)</b>	The Company may issue share warrants subject to and in accordance with provisions of Sections 114 to 115 of the Act and accordingly the Board may in its discretion, with respect to any shares which is fully paid-up on application in writing signed by the person 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 person signing in the application, and on receiving the certificate, if any, of 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.
<b>Transfer</b>		<b>b)</b>	Share Warrant shall entitle the bearer thereof to the shares included in it and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of shares



			shall not apply thereto.
		c)	the bearer of a share warrant shall, on surrender of the warrant to the Company for cancellation and on payment of such sums as the Board may from time to time prescribe, be entitled to have his name entered as a Member in Register of Members in respect of the shares included in the warrant.
<b>Requisition of Meeting by Bearer of Share Warrant</b>	<b>69</b>	<b>1)</b>	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 calling 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 time to deposit as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.
		<b>2)</b>	Not more than one person shall be recognised as Depositor of the share warrant.
		<b>3)</b>	The Company shall on two days written notice return the deposited share warrant to the depositor.
<b>Disabilities of holder</b>	<b>70</b>		Subject to as herein otherwise expressly provided
		<b>1)</b>	No person shall as bearer of a share warrant sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
		<b>2)</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 as the holder of the shares included in the warrant and he shall be a member of the Company.
<b>Renewal</b>	<b>71</b>		The Board may from time-to-time, make rules as to the 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 of the original warrant.
<b>GENERAL MEETINGS</b>			
<b>Statutory Meeting</b>	<b>72</b>	<b>a)</b>	The Company shall within a period of not less than one month or more than six months from the date at which the Company is entitled to commence business, hold a General Meeting of the members of the Company which shall be called the Statutory Meeting.
		<b>b)</b>	The Board of Directors shall not less than 21 days before the date on which meeting is held forward a report called the Statutory Report to every member of the Company provided that if the Statutory Report is forwarded later than is required above, it shall, notwithstanding the fact, be deemed to have been duly forwarded if it is so agreed to by all the members entitled to attend and vote at the meeting.
		<b>c)</b>	The Board of Directors shall comply with the provisions of Section 165 of the Act in connection therewith.
	<b>72</b>	<b>2)</b>	The Chairman or President or Managing Director or Secretary if or directed by the Board convene a Statutory Meeting at such time and place as may be determined in accordance with the provisions of the Act.
<b>Annual General Meeting</b>	<b>73</b>		The Company shall in addition to any other meetings hold a general meeting which shall be styled as Annual General Meeting at intervals and in accordance with the provisions specified below:
		<b>a)</b>	The Company shall hold an Annual General Meeting within six months after the expiry of each financial year subject to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding six months and (subject thereto) not more than 15 months shall elapse from the date of one annual general meeting and that of the next. The first annual general meeting may be held within eighteen months from the date of incorporation.
		<b>b)</b>	Every annual general meeting shall be called at a 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 situated and the notice calling such meeting shall specify it as the Annual General Meeting.
		c)	All other meetings shall be referred to as Extraordinary General Meetings.
<b>Extraordinary General Meetings</b>	<b>74</b>	<b>1)</b>	Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.
		<b>2)</b>	The Chairman or President may whenever they think fit and shall if so directed by the Board convene an Extraordinary General Meeting at such time and place as may be determined in accordance with the provisions of the Act.
<b>Extraordinary General Meeting by Requisition</b>	<b>75</b>	<b>a)</b>	The Board shall on the requisition of such number of members of the Company as is specified below proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
		<b>b)</b>	The requisition shall set out 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 or sent to the Company by Registered Post addressed to the Company at its Registered Office.
		<b>c)</b>	The requisition may consist of several documents in like forms each signed by one or more requisitionists.
		<b>d)</b>	The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold on the date of the deposit of the requisition of not less than 1/10th of such of the paid up capital of the Company as at the date carried the right of voting in regard to the meeting set out in the requisition.
<b>Length of notice for calling meeting</b>	<b>76</b>		A General Meeting of the Company may be called by giving not less than twenty-one clear days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote there at an in the case of any other meeting of the Company holding not less than 95% of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting. Provided that where any members of a Company are entitled to vote only on some resolutions to be moved at the meeting and not on the others, those members shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.
<b>Accidental omission to give notice not to invalidate meeting</b>	<b>77</b>		The accidental omission to give notice of any meeting to or the receipt of any such notice by any of the members shall not invalidate the proceedings or any resolution passed at such meeting.
<b>Special business and Statements to be annexed</b>	<b>78</b>		All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of the accounts, Balance Sheets and the reports of the Directors and Auditors, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any items of business to be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any therein, of every Director. If any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
<b>Quorum</b>	<b>79</b>		Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business.
<b>If quorum not present when meeting to be</b>	<b>80</b>		If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if called upon the requisition of members shall be dissolved in any other case it shall stand adjourned to the same day in the next week and at

<b>dissolved and when to be adjourned</b>			the same time and place or to such other day at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.
<b>Chairman of General Meeting</b>	<b>81</b>		The Chairman of the Board of Directors shall preside at every general meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman the Vice-Chairman of the Board of Directors shall preside at every general meeting of the Company.
	<b>81</b>	<b>a)</b>	The Board of Directors of the Company either by circulation or at its meeting, shall be entitled to cancel or postpone the meeting of shareholders duly called in emergency situation like a bandh, or the Government of Central / State declaring holiday under the Negotiable Instrument Act or in the event of death of any person or for any other reason, notwithstanding that notice of the meeting has already been sent to the members of the Company and such cancellation of meeting may be intimated to the members by publication in one issue of English daily and in one issue of Local / Vernacular newspaper having wide circulation in the area where the registered office is situate.
<b>In the absence of Chairman, appointment of another Chairman</b>	<b>82</b>		If there is no such Chairman or Vice-Chairman or if at any General Meeting either the Chairman or Vice-Chairman is not present within 15 minutes after the time appointed for holding the meeting or if they are unwilling to act as Chairman the members present shall choose a Director present to be the Chairman of the Meeting and if no Directors are present or all the Directors are unwilling to take the chair, the members present shall choose someone among them to be the Chairman.
<b>Adjournment of Meeting</b>	<b>83</b>		The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
<b>Questions at General Meeting how decided</b>	<b>84</b>		At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179, unless a poll is so demanded a declaration by the Chairman that a resolution has, on the show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against that resolution.
<b>Casting Vote</b>	<b>85</b>		In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or voters to which he may be entitled as a member.
<b>Taking of Poll</b>	<b>86</b>		If a poll is duly demanded in accordance with the provisions of Section 179, it shall be taken in such manner as the Chairman, subject to the provisions of Section 184 and Section 185 of the Act, may direct, and the result of the Poll shall be deemed to be the decision of the meeting on the resolutions on which the poll was taken.
<b>In what cases poll taken without adjournment</b>	<b>87</b>		A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time being later than 48 hours from the time when demand was made as the Chairman may direct.
<b>Votes</b>	<b>88</b>	<b>1)</b>	Every member of the Company holding any Equity Share Capital shall have a

			right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll shall be in proportion to his share of the paid-up Equity Capital of the Company.
		2)	Every member holding any Preference shares shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference shares' and subject to as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy if the dividend due on such preference shares or any part of such dividends has remained unpaid in respect of an aggregate period of not less than two years, preceding the date of the meeting. Such dividend shall be deemed to be due on Preference shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
		3)	Whenever the holder of a Preference shares has a right to vote on any resolution in accordance with the provisions of this Article, his voting right on a poll shall be in the same proportion as the capital paid up in respect of such preference shares bears to the total equity paid up capital of the company.
		4)	Notwithstanding anything contained in the provisions of these articles and in accordance with the provisions of Section 192A of the Companies Act, 1956 and the rules framed thereunder from time to time, the Company may, and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in General Meeting of the Company. The Company shall comply with the procedures prescribed by the Act and the rules and notifications issued thereunder in this regard.
<b>Business may proceed notwithstanding demand for poll</b>	<b>89</b>		A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
<b>Joint Holders</b>	<b>90</b>		In case of joint holders, the vote of the first named joint holder who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
<b>Member of unsound mind</b>	<b>91</b>		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 a poll, vote by proxy.
<b>No member entitled to vote while call due to company</b>	<b>92</b>		No member shall be entitled to vote at a general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
<b>Proxies permitted on Polls</b>	<b>93</b>		On a poll, votes may be given either personally or by proxy provided that no company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 187 is in force.
<b>Instrument of Proxy</b>	<b>94</b>	a)	The instrument appointing a proxy shall be in writing under the hand of appointer his attorney duly authorised in writing, or if the appointer is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not.
		b)	A body corporate (whether a company within the meaning of this Act or not) may:
		(i)	If it is a member of the Company by resolution of its Board of Directors or other governing body authorise such person as it think fit to act as its

			representative at any meeting of the company or at any meeting of any class of members of the Company.
		ii)	If a creditor (including a holder of Debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debentures or trust deed, as the case may be.
		c)	A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he was personally the member, creditor or debenture holder.
<b>Instrument of proxy to be deposited at the office</b>	<b>95</b>		The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or, adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
<b>Validity of vote by proxy</b>	<b>96</b>		A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>Form of Proxy</b>	<b>97</b>		Any instrument appointing a proxy may be in the form which the Board shall approve.
<b>Board of Directors</b>	<b>98</b>	a)	Subject to the provisions of Section 252 the number of Directors shall not be less than three and more than Twelve inclusive of all kinds of Directors.
		b)	Subject to the provisions of the Act the Company shall be entitled to appoint director on a non-rotational basis.
<b>Qualification of Director</b>	<b>99</b>		Any person, whether a member of the Company or not may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
	<b>100</b>		A director may resign from his office upon giving one month's notice in writing to the Company of his intention to do so and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
<b>Director's Remuneration and Sitting fees</b>	<b>101</b>	a)	The sitting fee of each of the Directors shall be such sum that may be prescribed under Sec.310 of the Act, from time to time, for each meeting attended. The Company may allow and pay to a Director who for the time being is residing out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending that meeting such sum as the Directors may consider fair compensation for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. The Directors shall be paid their travelling, etc., and sitting fees for attending adjourned meetings also. The directors shall also be paid such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses incurred in connection with the business of the Company.
		b)	Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting, and such sanction if any of the Government of India as may be required under the Companies Act, sanction and pay to any or all Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
		c)	Subject to the provisions of the Act, the Company in general Meeting may by special resolution sanction and pay to the Directors in addition to the said fees set out in sub-clause (a) above, a remuneration of not exceeding one percent



			(1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year on account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they had held office respectively as such Directors.
		<b>d)</b>	Subject to the provisions of Section 314 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purpose of the Company, the Board may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.
<b>Casual vacancy</b>	<b>102</b>		If the Office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.
<b>Additional Director</b>	<b>103</b>		The Directors may from time to time appoint any person as an additional Director provided that the number of Directors and additional Directors together shall not exceed the maximum number of Directors fixed under Article 98 above. Any person so appointed as an additional Director shall hold office upto date of the next Annual General Meeting of the Company.
<b>Vacation of office by Directors</b>	<b>104</b>	<b>1)</b>	The office of a Director shall be vacated if
		<b>a)</b>	he fails to obtain within the time specified in Sub-Section (1) of Section 270 or at any time thereafter ceases to hold the share qualification, required of him by the Articles of the Company.
		<b>b)</b>	he is found to be unsound mind by a Court of competent jurisdiction;
		<b>c)</b>	he applies to be adjudicated as an insolvent;
		<b>d)</b>	he is an undischarged insolvent;
		<b>e)</b>	he is convicted by a Court of India of any offence and is sentenced in respect thereof to imprisonment for not less than six months;
		<b>f)</b>	he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call.
		<b>g)</b>	he absent himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, which ever is longer, without obtaining leave of absence from the Board.
		<b>h)</b>	he 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.
		<b>i)</b>	he acts in contravention of Section 299.
		<b>j)</b>	he becomes disqualified by an order of Court under Section 203 or
		<b>k)</b>	he is removed in pursuance of Section 284.
		<b>2)</b>	Notwithstanding anything in clause (d), (e) and (j) aforesaid the disqualification referred to in those clauses shall not take effect.
		<b>a)</b>	for thirty days from the date of the adjudication
		<b>b)</b>	where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentences, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
		<b>c)</b>	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 results in the removal of the disqualification, until such further appeal or petition is disposed of;
	<b>105</b>	<b>1)</b>	The Board may appoint an Alternate Director to act for a Director, hereinafter called in this clause "The original Director" during his absence for a period of not less than 3 months from the State in which the meetings of the Board are ordinarily held.
		<b>2)</b>	An alternate Director appointed as aforesaid shall vacate office if and when the original Director return to the State in which meetings of the Board are ordinarily held.
<b>Directors and Managing Director may contract with Company</b>	<b>106</b>	<b>a)</b>	<p>Subject to the provisions of the Act, the Directors and the Managing Director shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any company or partnership of or in which any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the fiduciary relation thereby established, but the nature of the interest must be disclosed by the Director or Managing Director at the meeting of the Board at which the contract or arrangement is determined, if the interest then exists or in any other case at the first meeting of the Board after the acquisition of the interest.</p> <p>Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat he shall not be counted for the purpose of ascertaining the quorum present. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company. A general notice that the Managing Director or any Director is a Director or a member of any specified Company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such Company or firm, shall, as regards any such transaction, be sufficient disclosure under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such Company or firm.</p>
<b>When Director appointed Director of Subsidiary Company</b>		<b>b)</b>	A Director may be or become a Director of any Company promoted by this Company or in which this Company may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.
<b>Rights of Directors</b>	<b>107</b>		Except as otherwise provided by these Articles, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
<b>ROTATION OF DIRECTORS</b>			
<b>Rotation and Retirement of Directors</b>	<b>108</b>		At every annual general meeting, one-third of the Directors are liable to retire by rotation for the time being or, if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.
<b>Retiring Director eligible for re-election</b>	<b>109</b>		A retiring Director shall be eligible for re-election and the Company at the General Meeting at which the Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
<b>Which Directors to retire</b>	<b>110</b>		The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall unless they otherwise agree among themselves, be determined by lot.

<b>Retiring Directors to remain in office till successors appointed</b>	<b>111</b>		Subject to Section 256 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up 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, and if at the adjourned meeting, the place of Vacating Director is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.
<b>Power of General Meeting to increase or reduce number of Directors</b>	<b>112</b>		Subject to the provisions of Section 252, 255 and 259 of the Act, the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 98 and may also determine in what proportion the increased or reduced number is to retire by rotation.
<b>Power to remove Directors by ordinary resolution</b>	<b>113</b>		Subject to provisions of Section 284, the Company may by an ordinary resolution remove any Director before the expiration of his period of office, and by an ordinary resolution appoint another person in his place, the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.
<b>Rights of persons other than retiring Directors to stand for Directorship</b>	<b>114</b>		A person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has, not less than 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 the Director, or the intention of such member is to propose him as a candidate for that office as the case may be.
<b>Nominee Directors.</b>	<b>114</b>	<b>a)</b>	Notwithstanding anything to the contrary contained in these articles, as long as any monies remain owing by the Company to the Industrial Developments Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI), the Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), United India Insurances Company Limited (UII), or a State Financial Corporation or any financial institution owned or controlled by the Central or State Government or the Reserve Bank of India or by two or more of them or by the Central Government or State Government's by themselves (each of the above hereinafter in this articles referred to as "The Corporation" out of any loans / Debentures assistance granted by them to the Company 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 as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons in his or their place(s).
			The Board of Directors of the Company shall have no power to remove the nominee Director(s) from office. 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 retire 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 as long as any monies remains owing by the Company to the Corporation or holds or



			continues to hold Debentures / Shares in company as a result of underwriting by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately after the monies owing by the Company to the Corporation are paid-off or the corporation ceasing to hold debentures / Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
			The Nominee Director(s) so appointed under this Article shall be entitled to receive all notices and attend all General Meetings, Board Meetings, and the meetings of the Committee of which the Nominee Director(s) is / are member(s) and 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 to which other Directors of the Company are entitled, but also if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, the commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the corporation of such Nominee Director(s) in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).
			Provided that if any such Nominee Director is an officer of the Corporation, the Sitting fees in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
			Provided also that in event of the Nominee Director(s) being appointed as whole time Director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.
<b>Register of Directors and notification of change of Register</b>	<b>115</b>		The Company shall keep at its Principal Office a register containing the addresses and occupation and other particulars required by Section 303 of the Act of its Directors and Secretary and shall send returns to the Registrar of Companies as required by the Act.
<b>Business to be carried</b>	<b>116</b>		The business of the Company shall be carried on by the Board of Directors.
<b>Meeting of the Board</b>	<b>117</b>		The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it think fit; provided that a meeting of the Board shall be held at least once in every three months and at least four such meetings shall be held in every year.
<b>Director may summon meeting</b>	<b>118</b>		A director may at any time summon a meeting of the Board of Directors. All meetings of the Board or any Committee of the Board shall be called by giving at least seven (7) days prior notice to the other directors, which notice shall be in writing and accompanied by the Agenda setting out in detail the business proposed to be transacted at such meeting and all relevant documents thereto. All notices shall be sent to each of the directors at their usual address whether in India or abroad by an effective means of communication and through email. No meeting of the Board shall be convened at a shorter notice period without the prior written consent of all the Directors. The meeting of the Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

<b>Question how decided</b>	<b>119</b>	<b>1)</b>	Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which the quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
		<b>2)</b>	In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
<b>Right of continuing Directors when there is no quorum</b>	<b>120</b>		The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below five, the continuing Directors or Director may act for the purpose of increasing the number of Directors to five or for summoning a general meeting of the Company and for no other purpose.
<b>Quorum</b>	<b>121</b>		The quorum for a meeting of the Board shall be one-third of its total strength (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 is equal to or exceeds two-thirds of the total strength the number of the remaining Directors 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. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting that is to say, the total strength of the Board after deducting there from the number of Directors, if any whose places are vacant at the time.
<b>Election of Chairman of the Board</b>	<b>122</b>		If no person has been appointed as Chairman under Article 98 above or if at any meeting the Chairman or Managing Director is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of them to be the Chairman of the meeting.
<b>Powers to appoint Committees and</b>	<b>123</b>	<b>1)</b>	The Board may from time-to-time and at any such time constitute one or more Committees of the Board consisting of such member or members of its body as the Board may think fit.
<b>Delegation of powers</b>		<b>2)</b>	Subject to the provisions of Section 292, the Board may delegate from time-to-time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such term and subject to such conditions as the Board may think fit.
		<b>3)</b>	The Board may from time-to-time revoke, add to or vary any powers, authorities and discretions so delegated.
		<b>4)</b>	The company shall have an Audit Committee, an Investor Grievance Committee and a Remuneration and Nomination Committee. The Audit Committee and the Investor Grievance Committee shall be constituted in accordance with all the requirements of the listing agreements by which the company is bound. the remuneration and nomination committee shall review and make recommendations inter-alia regarding (a) the nomination of independent directors on the Board; and (b) the compensation scheme for the managerial employees of the company and the directors; The Board of Directors shall appoint the independent directors based on the recommendations of the remuneration and nomination committee.
<b>Proceedings of Committee</b>	<b>124</b>		The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last preceding Articles.
<b>Election of Chairman of the</b>	<b>125</b>	<b>1)</b>	The Chairman shall be the Chairman of its meetings; if he is not available or if for any meeting he is not present within five minutes after the time appointed

<b>Committee</b>			for holding the meeting, the members present may choose one of them to be Chairman of the meeting.
		<b>2)</b>	The quorum of a Committee may be fixed by the Board and until so fixed if the Committee is of a single member or two members the quorum shall be one and if more than two members it shall be two.
<b>Question how determined</b>	<b>126</b>	<b>1)</b>	A committee may meet and adjourn as it thinks proper.
		<b>2)</b>	Question arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.
<b>Acts done by Board or of Committee valid notwithstanding defective appointment etc</b>	<b>127</b>		All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director shall, notwithstanding that it may be afterward discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director and such person has been duly appointed and was qualified to be a Director.
<b>Resolution by circulation</b>	<b>128</b>		Save as otherwise expressly provided in the Act, resolution in writing circulated in draft together with the necessary papers, if any to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual addresses in India and approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.
<b>General powers of company vested in Directors</b>	<b>129</b>		The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Act or any statutory modification thereof for the time being in force, or by these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provision or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
<b>Attorney of the Company</b>	<b>130</b>		The Board may appoint at any time and, from time-to-time by a power of Attorney under the Company's seal, any person to be the Attorney of the Company for such purpose and with such powers authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time-to-time think fit and any such appointment may, if the Board thinks fit be made in favour of the members, or any of the members of any firm or Company, or the members, Directors, nominees or managers of any firm or Company or otherwise in favour of any body or persons whether nominated directly or indirectly by Board and such power-of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.
<b>Powers to authorise sub-delegations</b>	<b>131</b>		The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him..
<b>Director's duty to comply with the provisions of the Act</b>	<b>132</b>		The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors, and to sending to the Registrar and annual list of members and a summary of particulars relating thereto, and notice of

			any consolidation or increase of share capital and copies of special resolutions and such other resolutions and agreements required to be filed under Section 192 of the Act and a copy of the register of Directors and notifications of any changes therein.
<b>Specific powers of Directors</b>	<b>133</b>		In furtherance of and without prejudice to the General powers conferred by or implied in these Articles and other powers conferred by these Articles and subject to the provisions of Section 292 and 293 of the Act it is hereby expressly declared that it shall be lawful for the directors to carry out all or any of the objects set forth in the Memorandum of Association and to do the following things.
<b>To acquire and dispose of property and rights</b>		<b>a)</b>	To purchase or otherwise acquire for the company any property, rights on privileges which the company is authorised to acquire at such price and generally on such terms and conditions and for such consideration as they may think fit.
<b>To pay for property in debentures etc</b>		<b>b)</b>	At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid-up sum as may be either specifically charged upon all or any part of the property of the company and is uncalled capital or not so charged.
<b>To secure contracts by mortgages</b>		<b>c)</b>	To secure the fulfillment of any contracts or agreements entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.
<b>To appoint officers etc.</b>		<b>d)</b>	To appoint and at their discretion remove or suspend such Agents, Secretaries, Officers, Clerks and servants etc. for permanent, temporary or special services as they may from time-to-time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
<b>To being and defend action etc.</b>		<b>e)</b>	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments, or satisfaction of any dues and of any claims or demands by or against the Company.
<b>To refer to arbitration</b>		<b>f)</b>	To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
<b>To give receipts</b>		<b>g)</b>	To make and give receipts, release, and other discharge for money payable to the Company and of the claims and demands of the Company.
<b>To act in matter of bankruptcy and insolvency</b>		<b>h)</b>	To act on behalf of the company in all matters, relating to bankruptcy and insolvency.
<b>To give security by way of indemnity</b>		<b>i)</b>	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 personal liability for the benefit of the Company such mortgage of the Company's property (Present and Future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
<b>To give commission</b>		<b>j)</b>	To give any person employed by the Company a commission on the Profits of any particular profits or transaction or a share in the general profits of the Company.
<b>To make contracts etc.</b>		<b>k)</b>	To enter into all such negotiation and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company the contracts can be entered into with the company in which the Company's

			directors, may be interested subject to necessary disclosures and restrictions under the Act.
<b>To make Bye-laws</b>		<b>l)</b>	From time-to-time make, vary and repeal bye-laws for the regulations of the business for the company, its officers and servants.
<b>To set aside profits for Provident Fund</b>		<b>m)</b>	Before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations or to create any Provident Fund or Benefit Fund in such or any other manner as the Directors may deem fit.
<b>To make and alter rules</b>		<b>n)</b>	To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual employments, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said, fund as the Directors shall from time-to-time think fit.
		<b>o)</b>	Generally, at their absolute discretion to do and perform every act, which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or these presents may stand prohibited.
<b>Secretary</b>	<b>134</b>		The Board shall have power to appoint as the Secretary a person fit in their opinion for the said office, for such period and on such terms and conditions as regard to remuneration and otherwise as it may determine. The secretary shall have such powers and duties as may, from time-to-time be delegated or entrusted to him by the Board.
<b>Powers as to commencement of business</b>	<b>135</b>		Any branch or kind of business which by the Memorandum of Association of the Company on these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Company, and the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind or business may have been actually commenced or not as long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
<b>Delegation of powers.</b>	<b>136</b>		Subject to Section 292 the Board may delegate all or any of its powers to any Directors jointly or severally or to any one Director at its discretion.
<b>BORROWING</b>			
<b>Borrowing powers</b>	<b>137</b>	<b>1)</b>	<p>The Board may from time to time raise any money or moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not without the sanction of the Members at a General Meeting exceed aggregate of the paid up capital and the free reserves of the Company that is to say reserves not set apart for any specific purpose and in particular but subject to the provisions of Section 292 of the Act the Board may from time - to time at their discretion raise, borrow or secure the payment of any such sum or sums of money for the purpose of the Company by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any securities.</p> <p>Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.</p> <p>Provided that subject to the provisions of section 292 the Board may by a</p>



			resolution delegate the power to borrow money otherwise than on debentures to a committee of Directors or the Managing Directors subject to limits specified in the said resolution of the total amount which may be so borrowed.
		2)	Subject to the provisions of the clause above the board may from time-to-time use their discretion, raise or borrow or secure the repayment of any sum of or sums of money for the purpose of the Company at such times and in such manner and upon such terms and conditions in all respects as they think fit, including loans from financial institutions and in particular by promissory notes or by opening current accounts, or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures of debenture stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, bonds or other property and securities of the Company or by such other means as to them may seem expedient.
<b>Assignment of debentures</b>	<b>138</b>		Such 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.
<b>Terms of debenture issue</b>	<b>139</b>	a)	Any such debentures debenture stocks, bonds or other securities may be issued at a discount premium or otherwise, and with any special privilege as to redemption, surrender, drawings, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Members in General Meeting.
		b)	Any trust deed for securing of any debentures or debenture stocks and or any mortgage deed and or other bond for securing payment of moneys borrowed by or due by the Company and or any contract or any agreement made by the Company, with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans, advances or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time-to-time by such Mortgage Lender, Trustee of or Holders of Debentures or Contracting Party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such Trust Deed, Mortgage Deed, Bond or Contract may provide that the persons, appointing a Director as aforesaid may from time to time remove any Directors so appointed by him and appoint any other person in his place and provide for filling up any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective Mortgage Loan or Debt or Debentures or on the termination of such contract and any person so appointed as Director under Mortgage or Bond or Debenture Trust Deed or under such contract shall cease to hold office as such Director on the discharge of the same such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
		c)	The Director or Directors so appointed by or under a Mortgage Deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under provisions of a Debenture Trust Deed shall be called "Debenture Director" The words Mortgage Director or Debenture Director shall mean the Mortgage Director or Debenture Director for the time being in office. The Mortgage Director or Debenture Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such Mortgage Deed or bond or trust deed or contract may contain such auxiliary provisions as may be arranged between the Company and

			Mortgage lender, the Trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any other provisions herein contained but subject to the provisions of the Act.
		d)	The Directors appointed as Mortgage Director or Debentures Director under the Article shall be deemed to be ex-officio Directors.
		e)	The total number of Ex-officio Directors, if any, so appointed under this Article together with the other Ex-officio Directors, if any appointed under any other provisions of these presents shall not at any time exceed one third of the whole number of Directors for the time being.
<b>Charge on uncalled capital</b>	<b>140</b>		Any uncalled capital of the Company may be included in or charged by any mortgage or other security.
<b>Subsequent assignees of uncalled capital</b>	<b>141</b>		Where any uncalled capital of the Company is charged, all persons, taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.
<b>Charge in favour of Directors for indemnity</b>	<b>142</b>		If the Directors or any of them or any other persons, shall become personally liable for the payment of any sum primarily due from the Company the Board 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 other person so becoming liable as aforesaid from any loss in respect of such liability.
	<b>143</b>	1)	Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolutions passed at the meetings of the Board.
		a)	Power to make calls on shareholders in respect of moneys unpaid on their share
		b)	Power to issue debentures
		c)	Power to borrow moneys otherwise than on debentures
		d)	Power to invest the funds of the Company
		e)	Power to make loans.
		2)	The Board may by a meeting, delegate to any committee of the Board or to the Chairman the powers specified in sub-clause (c), (d) and (e) above.
		3)	Every resolution delegating the power set out in sub clause (c) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
		4)	Every resolution delegating the power referred to in sub-clause (d) shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.
		5)	Every resolution delegating the power referred to in sub-clause (e) above shall specify the total amount upto which loans may be made by the delegate, the purpose for which loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.
<b>Register of Mortgages to be kept.</b>	<b>144</b>		The directors shall cause a proper register to be kept in accordance with the provisions of the Companies Act, 1956 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges, therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.
<b>Register of holders of debentures</b>	<b>145</b>		Every Register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty-five days in any year, and not exceeding thirty days at any one time. Subject as aforesaid every such register shall be open to the inspection of registered holders of any such debentures and of any members but the Company may in General Meeting impose any reasonable restrictions so that at least two hours in every day, when such

			register is open, are appointed for inspection.
<b>Inspection of copies &amp; of Register of mortgage</b>	<b>146</b>		The Company shall comply with the provisions of the Companies Act 1956, as to allowing inspection of copies, kept at the Principal office in pursuance of the said Act, and as to allowing inspection of the Register of mortgages to be kept at the office in pursuance of the said Act.
<b>Supplying copies of Register of holders of debentures</b>	<b>147</b>		The Company shall comply with the provision of the Companies, Act 1956, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.
<b>Right of holders of debentures as to balance sheets</b>	<b>148</b>		Holders of debentures shall have the same right to receive and inspect the Balance Sheet of the Company and the reports of the Auditors and other reports as are possessed by the members of the Company.
<b>Minutes</b>	<b>149</b>	<b>1</b>	The Company shall comply with the requirements of Section 193 of the Act in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
		<b>2</b>	The Chairman of the meeting shall exclude at his absolute discretions such matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceeding or detrimental to the interests of the Company.
<b>MANAGING DIRECTOR</b>			
<b>Appointment of Managing Directors</b>	<b>150</b>	<b>a)</b>	The board may from time-to time with such sanction of the Central Government as may be required by law appoint one or more of their body to the office of Managing Director or Managing Directors.
		<b>b)</b>	The Directors may from time-to-time resolve that there shall be either one or two Managing Directors and unless otherwise resolved there shall be only one Managing Director.
		<b>c)</b>	In the event of any vacancy arising in the Office of a Managing Director or if the Directors resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Director so appointed shall hold the Office for such periods as the Board of Directors may fix.
<b>Term of office of Managing Director</b>	<b>151</b>		If a Managing Director ceases to hold office as Director, he shall ipso facto and immediately cease to be a Managing Director.
<b>Managing Director to retire by rotation</b>	<b>152</b>		The Managing Director shall not be liable to retire by rotation as long as he holds office as Managing Director.
<b>Remuneration of Managing Director</b>	<b>153</b>		The Managing Director shall subject to such sanction by the Central Government as required by law receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in its general meeting may from time-to-time determine.
<b>Powers to be exercised by Managing Directors</b>	<b>155</b>	<b>1)</b>	The Managing Director shall, subject to the supervision and control of the Board of Directors, have the management of all the affairs and business of the Company and of all its assets and he shall have powers to do all acts and things which he shall consider necessary or desirable in the management of the affairs of the Company and to exercise and perform all the powers and duties vested in him for the time being in accordance with the provisions of these presents or by any resolution of the Board.
		<b>a)</b>	Subject to the provision of Section 293 of the Act, to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realise the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company or in which the Company is interested or over which the Company may have such power of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
		<b>b)</b>	To determine from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts and documents and to give the necessary



			authority for such purposes.
		<b>c)</b>	To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purpose of the company and to make and give receipts, releases and other discharge for moneys or goods or property received in the usual course of business of the Company or lend or payable to or belonging to the Company and for the claims and demands of the company.
		<b>d)</b>	To institute, conduct, defend compound or abandon any action, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same action, suits and legal proceedings.
		<b>e)</b>	To enter into, vary or cancel all manner of contracts on behalf of the Company.
		<b>f)</b>	To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisors, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Director thinks fit.
		<b>g)</b>	To acquire by purchase, lease, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office, showrooms, godowns, and other buildings in the state of Madras or elsewhere, Machinery Engine, plant, Rolling stock, Tools Machine Tools outfits, stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
		<b>h)</b>	To plan, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
		<b>i)</b>	To erect, maintain, repair, equip, alter and extend building and machinery in the state of Madras or in any other place.
		<b>j)</b>	To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
		<b>k)</b>	To pay all moneys due by the Company and look after the finance of the Company.
		<b>l)</b>	To open current and time-deposit accounts or other account with banker or bankers at his choice and to operate on such accounts and also when necessary to over draw or take loans on such accounts on the security of the Company or of any of its assets.
		<b>m)</b>	To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies drafts, railway receipts, dock warrants, delivery orders, Government Promissory notes, other Government instruments, bonds, debentures or debentures stocks of Corporation, local bodies, Port Trusts, Improvement Trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock-certificates of the Government and other local or corporate bodies in connection with any business or any subject of the company.
		<b>n)</b>	Subject to Article 133 above to borrow from time-to-time such sums of money for the purpose of the Company upon such terms as may be expedient and with or without security.
		<b>o)</b>	To receive and give effectual receipts, and discharge on behalf of and against the company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against the goods of the Company.
		<b>p)</b>	To make or receive advance of moneys, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposits or otherwise in such manner and on such terms as the Managing Director may

			deem fit.
		q)	To submit to arbitration and enforce the fulfillment of awards, regarding any claims in which the Company may be interested to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
		r)	To institute appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pleading and other documents to engage and to instruct any Advocate, Solicitors, and lawyers and to execute any Vakalat or other authority in their favour and to compound and compromise any claim, suit of proceedings.
		s)	To take all manner of insurances.
		t)	To delegate all or any powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute deliver, register, or cause to be registered all instruments, deeds, documents or writings usually necessary or expedient for any of the purpose of the Company not requiring the common seal of the Company.
			Provided that the Directors may time-to-time revoke withdraw, alter or vary all or any of the above powers.
<b>Managing Director's powers to be exercised severally</b>	<b>156</b>		All the powers conferred on the Managing Director by these presents, or otherwise may subject to any directions to the contrary by the Board of Directors, be expressed by any of them severally.
<b>COMMON SEAL</b>			
<b>Common Seal</b>	<b>157</b>		The Board shall provide a common seal of the Company and shall have power from time-to-time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director.
<b>Affixture of Common Seal</b>	<b>158</b>		The seal shall not be affixed to any instrument except by an authority of a resolution of the Board or Committee and unless the Board otherwise determine every deed or other instrument to which the seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company be signed by one Director at least in whose presence the seal shall have been affixed and countersigned by the Managing Director, or such other person as may from time-to-time be authorised by the Managing Director, or by the Board provided that the same person shall not sign in the dual capacity of a director and as representing the Managing Director and provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Managing Director, or other authorised person shall not be necessary in the case of instrument executed in favour of the Managing Director, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.
<b>DIVIDEND AND RESERVES</b>			
<b>Rights to dividend</b>	<b>159</b>		The profits of the Company subject to any special rights relating there to be created or authorised to be created by these presents, and subject to the provisions of these present as to the Reserve Fund, shall be divisible among the equity shareholders.
<b>Declaration of Dividends</b>	<b>160</b>		The Company in Annual General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
<b>Interim dividend</b>	<b>161</b>		The board may from time to time pay to the members such interim dividends as appear to it be justified by the profits of the Company.
	<b>162</b>		The Board may declare dividend in relation to any year by an extraordinary general meeting in addition to what has already been declared in the last

			Annual General Meeting.
<b>What to be deemed net profits</b>	<b>163</b>		That declaration of the Director as to the amount of the net profits of the Company shall be conclusive.
<b>Dividend to be paid out of profits only</b>	<b>164</b>		No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by section 205 and 208 of the Act.
<b>Reserve Funds.</b>	<b>165</b>	<b>1)</b>	The board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application may at the like discretion whether be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time may think fit.
		<b>2)</b>	The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.
<b>Method of Payment of dividend</b>	<b>166</b>	<b>1)</b>	Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on shares in respect whereof the dividend is paid.
		<b>2)</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
		<b>3)</b>	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
<b>Deduction of Arrears</b>	<b>167</b>		The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.
<b>Adjustment of dividend against call.</b>	<b>168</b>		Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the Meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so be made payable at the same time as the dividend and the dividend may if so arranged between the Company and themselves be set off against the call.
<b>Payment by cheque or warrant</b>	<b>169</b>	<b>1)</b>	Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directed to the registered address of the holder or in case of joint holders to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holder may in writing direct.
		<b>2)</b>	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
		<b>3)</b>	Every dividend or warrants or cheque shall be posted within forty-two-days from the date of declaration of the dividends.
<b>Retention in certain case</b>	<b>170</b>		The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.
<b>Receipt of Joint Holders</b>	<b>171</b>		Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
<b>Notice of dividends</b>	<b>172</b>		Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
<b>Dividends not to bear interest</b>	<b>173</b>		No dividend shall bear interest against the Company.
<b>Unclaimed dividend</b>	<b>174</b>		No unclaimed dividend shall be forfeited by the Board and all unclaimed dividend shall be dealt with in accordance with the provisions of the Act.

<b>Transfer of share not to pass prior dividend</b>	<b>175</b>		Any transfer of shares shall not pass the right to any dividend declared thereto before the registration of the transfer.
<b>CAPITALISATION OF PROFITS</b>			
<b>Capitalisation of profits</b>	<b>176</b>	<b>1)</b>	Subject to the provisions of the Act and regulations made there under or any other applicable law, the Company shall have the power, by a Resolution of the Board, to capitalize its profits, gains, investments or other assets forming part of the undivided profits for the time being of the Company standing to the credit of the Reserve Fund or any other Fund or the Profit and Loss Account of the Company or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Securities Premium Account or otherwise available for distribution:
		<b>a)</b>	by the distribution among the holders of the shares of the Company or any of them in accordance with their respective rights, and interests and in proportion to the amounts paid or credited as paid thereon, of paid up shares, or
		<b>b)</b>	by crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amounts paid or credited as paid thereon respectively, with the whole or any part of the sums remaining unpaid thereon.
		<b>2)</b>	The Directors shall have authority, in its absolute discretion to apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other fund as may be required for the purpose of making payment in full or part for the shares so distributed or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares, which may have been issued and are not fully paid-up. Such distribution and payment shall stand accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
<b>Powers of Directors for declaration of Bonus</b>	<b>177</b>	<b>1)</b>	The Directors shall have powers to 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 shares in lieu of the fraction and generally make such arrangements for the acceptance, allotment and sale of such shares fractions or otherwise as they think fit and may make cash payments to any holders of shares or fractions on the footing of the value so fixed in order to adjust such rights and may vest any such shares, in trustees upon such trusts for adjusting such rights as may seem expedient to the Directors.
		<b>2)</b>	Where some of the shares of the Company are fully paid and others are partly paid only, the Board shall have powers to effect the capitalization 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 the fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be pro rata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
		<b>3)</b>	The Board shall have full power;
		<b>a)</b>	to make such provision, by the issue of fractional Certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions and also;
		<b>b)</b>	to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further Shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on the existing Shares.
		<b>c)</b>	Any agreement made under such authority shall be effective and binding on all

			such members.
<b>ACCOUNTS</b>			
<b>Books of account</b>	<b>178</b>	<b>1)</b>	The board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of sales and purchases of goods by the Company and of the assets and liabilities of the Company.
		<b>2)</b>	All the aforesaid books shall give a fair and true view of the affairs of the company or of its branch as the case may be with respect to the matters aforesaid and explain its transactions.
		<b>3)</b>	The books of accounts shall be open to inspection by any Director during business hours.
<b>Where books of account to be kept</b>	<b>179</b>		The Books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
<b>Inspection by members.</b>	<b>180</b>		The Board shall from time to time determine whether and to what extent and at what time and under what conditions or regulations the accounts books and documents of the Company or any them shall be open for the Inspection of the members and no members (not being a Director) shall have any right of inspecting any account or books or documents of the Company excepts as conferred by statute of authorised by the Board or by a resolution of the Company in General Meeting.
<b>Statement of account to be furnished to General Meeting</b>	<b>181</b>		The Board shall lay before such Annual General Meeting, a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up 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 extension of time as shall have been granted by the Registrar under the provisions of the Act.
<b>Balance Sheet and Profit and Loss Account</b>	<b>182</b>		Subject to the provision 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, of as near thereto as circumstances admit.
<b>Authentication of Balance Sheet &amp; Profit and Loss Account</b>	<b>183</b>	<b>1)</b>	Subject to Section 215 of the Act, every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board by not less than two Directors.
		<b>2)</b>	The Balance Sheet and the Profit and Loss Account shall be approved by the Board before they are the 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.
<b>Profit and Loss Account to be annexed and Auditor's report to be attached to the Balance Sheet</b>	<b>184</b>		The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors Report shall be attached thereto.
<b>Board's Report to be attached to Balance sheet.</b>	<b>185</b>	<b>1)</b>	Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the State of the Company's affairs, the amounts, if any, which it proposes to carry on any Reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount if any which it recommends to be paid by way of dividends.
		<b>2)</b>	The report shall, so far as it is material for the appreciation of the state of the company's affair by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries deal with any changes which have occurred during the financial year in the nature of the business carried on

			by them and generally in the classes of business in which the Company has an interest 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.
		3)	The Board shall also give the fullest information and explanation in its report or in case falling under the provision Section 222 of the Act in the addendum to that Report on every reservations, qualifications or adverse remarks contained in the Auditor's Report.
		4)	The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clause (1) and (3) of this Article are complied with.
<b>Right of members in copies to Balance Sheet &amp; Auditors Report</b>	<b>186</b>		The Company shall comply with the requirements of section 219.
<b>ANNUAL RETURNS</b>			
<b>Annual Returns</b>	<b>187</b>		The Company shall make the requisite annual returns in accordance with Section 159 and 161 of the Act.
<b>AUDIT</b>			
<b>Accounts to be studied</b>	<b>188</b>	1)	Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
		2)	The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting.
		3)	At any Annual General Meeting a retiring Auditor by whatsoever authority appointed, shall be re-appointed unless.
		a)	he is not qualified for re-appointment;
		b)	he has given the Company notice in writing of his unwillingness to be re-appointed;
		c)	a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be appointed; or
		d)	where notice has been given of an intended resolution to appoint some person or persons in the place of a 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.
		4)	Where at an Annual General Meeting no auditors are appointed or re-appointed the Central Government may appoint a person to fill the vacancy.
		5)	The Company shall, within seven days of the Central Government's power under sub-clause (4) becoming exercisable, give notice of that fact to that Government.
		6)	The Directors may fill any causal vacancy in the office of an Auditor, but while any such vacancy continues, the remaining, Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
		7)	A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the company not less than twenty eight days before the meeting in accordance with Section 190 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 and all the other provisions of section 225 shall apply in the matter. The provisions of this sub clause shall also apply to a resolution that retiring auditors shall not be re appointed.
		8)	The person qualified for appointment as Auditors shall be only those referred



			to in Section 226 of the Act.
<b>Audit of Branch Office</b>	<b>189</b>		The company shall comply with the provisions of Section 228 in relation to the audit of the Accounts of branch offices of the company.
<b>Remuneration of Auditors</b>	<b>190</b>		The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
<b>Rights and duties of Auditors.</b>	<b>191</b>	<b>1)</b>	Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties as auditor.
		<b>2)</b>	All notice of and other communication relating to any General Meeting of a company which any member of the Company is entitled to shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends any part of the business which concerns him as Auditor.
		<b>3)</b>	The auditor 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 documents 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 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 explanations given to him, the said accounts give the information required by this Act, in the manner so required and give a true and fair view.
		<b>i)</b>	in case of the balance sheet, the state of the Company's affairs as at the end of the financial year; and
		<b>ii)</b>	in case of the profit and loss account, the profit and loss for its financial year;
		<b>4)</b>	The Auditor's Report shall also state:
		<b>a)</b>	whether he has obtained all the information and explanation which to the best of his knowledge and belief were necessary for the purpose of his audit;
		<b>b)</b>	whether, in his opinion the 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 purposes of his audit have been received from branches not visited by him; and
		<b>c)</b>	whether the balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns.
		<b>5)</b>	Where any of the matters referred to in clauses (i) and (ii) of sub section (2) of section 227, or in clauses (a), (b) (c) of sub section (3) of Section 227 or sub-clause (4) (a) (b) and (c) hereof is answered in the negative or with a qualification of the Auditor's Report shall state the reason for such answer.
		<b>6)</b>	The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
<b>Accounts when audited and approved to be conclusive except errors discovered within three months</b>	<b>192</b>		Every Account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period the accounts shall forthwith be corrected, and henceforth be conclusive.
<b>SERVICE OF DOCUMENTS AND NOTICE</b>			
<b>Service of documents on the Company</b>	<b>193</b>		A document may be served on the Company by sending it to the Company at the Registered office of the Company by post under Certificate of posting or by registered post or leaving it at the Registered Office.
<b>How document to be served to the</b>	<b>194</b>	<b>1)</b>	A document (which expression for this purpose shall be deemed to include and shall include any summons, notice requisition, process, order, judgement or

<b>members</b>			any other document in relation to the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
		<b>2)</b>	All notices with respect to any registered shares which are owned jointly by two persons shall be given to such person who is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
		<b>3)</b>	Where a document is sent by Post:
		<b>a)</b>	service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under 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 documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and such service shall be deemed to have been effected.
		<b>i)</b>	in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
		<b>ii)</b>	in any other case at the time at which the letter would be delivered by the ordinary course of post.
<b>Members to notify address in India</b>	<b>195</b>		Each registered holder of shares shall from time to time notify in writing to the company some place in India to be registered as his address and such registered place of address shall be deemed to be the address of the shareholder to which notice or other documents may be sent.
<b>Services on members having no registered address in India</b>	<b>196</b>		If a member has no registered address in India, and has not supplied to the Company an address within India for the giving notices to him, then an advertisement is to be given in a newspaper circulating in the place where the registered office of the Company is situated and the same shall be deemed as notice duly served on such person on the day on which the advertisement appears.
<b>Services on persons acquiring shares on death or insolvency of a member.</b>	<b>197</b>		A document may be served by the company 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 letter addressed to him or by the title of representative of 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 serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
<b>Notice valid though member deceased</b>	<b>198</b>		Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of the presents shall notwithstanding, that such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any jointly interested with him or her in any such share.
<b>Persons entitled to notice of General Meeting</b>	<b>199</b>		Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given :-
		<b>i)</b>	To the members of the Company as provided by Article 76 or as authorised by the Act.
		<b>ii)</b>	To the persons entitled to a share in consequence of the death or insolvency of



			a member as provided by Article 198 or as authorised by the Act.
		iii)	To the Auditor or Auditors for the time being of the Company in any manner authorised by the Act in case of any member or members of the Company.
<b>Advertisement</b>	<b>200</b>	<b>1)</b>	Subject to the provisions of the Act any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District where the registered office of the Company is situated.
<b>Transfer etc., bound by prior notices</b>		<b>2)</b>	Every person who by operation of law, transfer or other means whatsoever become entitled to any share, shall be bound by every notice in respect of such share which previously were issued to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share or stock.
<b>Members bound on documents given to previous holders</b>	<b>201</b>		Every person who by the operation of law, transfer, or other means whatsoever become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
<b>How notice to be signed</b>	<b>202</b>		Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
<b>AUTHENTICATION OF DOCUMENTS</b>			
<b>Authentication of document and proceedings</b>	<b>203</b>		Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.
<b>WINDING UP</b>			
<b>Winding up</b>	<b>204</b>		Subject to the provisions of the Act as to preferential payments, the assets of the Company shall, on its winding up be applied in satisfaction of its liabilities pari passu and, subject to such application, shall unless the articles otherwise provide, distributed among the members according to their rights and interests in the Company.
<b>Division of assets of the Company in specie among members</b>	<b>205</b>		If the Company shall be wound up whether voluntarily or otherwise the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company, and may with the like sanction, vest any part of the assets of the Company, in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability as 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 liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.
<b>INDEMNITY AND RESPONSIBILITY</b>			
<b>Director's and other's right to indemnity</b>	<b>206</b>	<b>a)</b>	Subject to the provisions of Section 201 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him or in any other way in the discharge of his duties, as such Director, Officer or employee.
		<b>b)</b>	Subject as aforesaid every Director, Manager, Secretary, or other Officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in

			which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under section 633 of the Act in which relief is given to him by the Court, and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred by or in respect of any Director for filing any return, paper or document with the Registrar of Companies or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.
<b>Not responsible for acts of others.</b>	<b>207</b>		Subject to the provisions of Section 201 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining any receipt or other acts for conformity for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, Company or Corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.
<b>SECRECY CLAUSE</b>			
<b>Secrecy Clause</b>	<b>208</b>	<b>a)</b>	No member shall be entitled to visit or inspect the Company's work without the permission of the Directors or Managing Director, or to require discovery of or any information with respect to any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade or secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors is not in the interests of the Company to communicate to the public.
		<b>b)</b>	Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy with respect to all the transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

## SECTION XI - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Offer Document) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Offer Document, delivered to the Registrar of Companies, Tamilnadu located at Chennai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at 195, N.S.C. Bose Road, Chennai – 600 001, Tamil Nadu, India from 10.00 a.m. to 5.00 p.m. from the date of this Offer Document to until the date of Closing of the Issue.

#### A. Material Contracts:

1. Memorandum of Understanding dated September 16, 2011 entered into between our Company and Ashika Capital Limited, Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated June 22, 2010 entered into between our Company and Cameo Corporate Services Limited, Registrar to the Issue.
3. Copy of Tripartite Agreement dated October 05, 2010 among our Company, CDSL and Cameo Corporate Services Limited.
4. Copy of Tripartite Agreement dated November 23, 2010 among our Company, NSDL and Cameo Corporate Services Limited.
5. Escrow Agreement dated February 08, 2012 between our Company, the BRLM, the Registrar to the Issue and the Escrow Collection Banks.
6. Syndicate Agreement dated February 08, 2012 between our Company, the BRLM and the Syndicate Members.
7. Underwriting Agreement dated [●] between our Company, the BRLM and the Syndicate Members.

#### B. Material Documents:

1. Copy of Certificate of Incorporation dated April 21, 1992, issued by the Registrar of Companies, Tamilnadu.
2. Copy of Fresh Certificate of Incorporation consequent to change in the status of the Company dated October 31, 1996 issued by the Registrar of Companies, Tamilnadu.
3. Copy of Fresh Certificate of Incorporation consequent to change in the status of the Company dated June 02, 1998 issued by the Registrar of Companies, Tamilnadu
4. Memorandum and Articles of Association of our Company, as amended from time to time.
5. Copy of the Resolution passed by the shareholders, in the Extra Ordinary General Meeting dated August 27, 2010 under Section 81(1A) of the Companies Act, 1956 authorising the Issue.
6. Copy of resolution of the meeting of Board of Directors of the Company held on July 30, 2010 inter alia constituting the Audit Committee, Remuneration Committee and Shareholder's / Investor's Grievance Committee.

7. Copies of Annual Reports of our Company for the years ended March 31, 2007, 2008, 2009, 2010 and 2011 and financial statements for the period ended December 31, 2011.
8. Copy of the Auditor's Report by G. Balu Associates., Chartered Accountants, who have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI, dated February 16, 2012, on the Restated Financial Information Part II Schedule II of the Companies Act 1956 including capitalization statement, taxation statement and accounting ratio as mentioned in the RHP.
9. Copy of the Certificate dated September 24, 2011 by C.S. Hariharan & Co., Chartered Accountants regarding the statement of possible tax benefits as mentioned in the RHP.
10. Copies of Undertakings from Olympic Cards Limited.
11. Legal Due Diligence Report dated September 21, 2011 and Addendum to Legal Due Diligence Report dated February 15, 2012 by Lakshmmi Subramanian & Associates, Advisors – Corporate Laws.
12. Copy of Agreement between Mr. H. Noor Mohamed and Olympic Cards Limited for usage of the Trademark.
13. Copy of Sale Deed of the land at No. 521 and 522, Patta No. 510 of No. 90, Kannigaiper village, Uthukottai Taluk, Thiruvallur District where our Company proposes to set up a new manufacturing unit,
14. No Objection Certificate(s) for the proposed public issue from Bajaj Finance Limited, HDB Financial Services Limited, India Infoline Housing Finance Limited and City Union Bank Limited vide their letter(s) dated February 02, 2011, January 21, 2011, January 31, 2011 and September 20, 2011 respectively.
15. Consents in writing from our Directors, Company Secretary & Compliance Officer, Statutory Auditors, Bankers to our Company, BRLM, Registrar to the Issue, Legal Advisor to the Issue to include their names in the Offer Document to act in their respective capacities.
16. Copy of resolution passed at the meeting of Board of Directors held on September 26, 2011 for approving the DRHP.
17. Copy of resolution passed at the meeting of Board of Directors held on February 28, 2012 for approving this RHP.
18. IPO grading report dated February 21, 2012 issued by CRISIL Limited.
19. Due Diligence Certificate dated September 26, 2011 to SEBI from Ashika Capital Limited, the Book Running Lead Manager.
20. In-principle approval dated November 11, 2011 from BSE for listing of the securities offered through this Red Herring Prospectus.
21. Observation Letter no. SEBI/SRO/DIL/2011 dated February 02, 2012 issued by the Securities and Exchange Board of India.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

All the relevant provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 and the guidelines issued by the Government of India or the guidelines and regulations issued by Securities and Exchange Board of India, as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued there under, as the case may be, and that all the said legal requirements connected with this issue as also the guidelines, instruction, etc, issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with.

We, the Directors of Olympic Cards Limited, hereby declare and confirm that no information / material likely to have a bearing on the decision of the investors in respect of the equity shares issued in terms of this Red Herring Prospectus has been suppressed / withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation. We further certify that all the statements in this Red Herring Prospectus are true and correct.

## **SIGNED BY THE DIRECTORS OF OUR COMPANY**

**Sd/-**

**H. Noor Mohamed**

Managing Director

**Sd/-**

**S. Jarina**

Whole Time Director

**Sd/-**

**N. Mohamed Faizal**

Whole Time Director

**Sd/-**

**Mr. Lakshmanan Ramanathan alias Lena Tamilvanan**

Director

**Sd/-**

**N. A. Ameer Ali**

Director

**Sd/-**

**S. Amuthakumar**

Director

## **SIGNED BY COMPANY SECRETARY & COMPLIANCE OFFICER**

**Sd/-**

**Mr. N. Gopalswamy**

**Place: Chennai**

**Date: February 28, 2012**

# ANNEXURE



CONFIDENTIAL

Ref.: Olympic Cards Ltd \ EJ \ 16-02-12 \ 107

Dated: February 21, 2012

Mr. H. Noor Mohamed,  
Managing Director,  
Olympic Cards Ltd  
195, N.S.C. Bose Road,  
Parrys, Chennai – 600 001  
Tamil Nadu, India

Dear Mr Mohamed,

**Ref: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Olympic Cards Limited**

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "1/5"** (pronounced "one on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are poor relative to other listed equity securities in India.

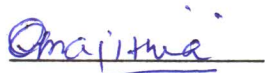
The assigned grade is a one time assessment valid for a period of 60 Calendar days only from the date of this letter. In the event of your company not opening the captioned issue within a period of 60 days from the above date, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,



Chetan Majithia

Head, Equities – CRISIL Research



Elizabeth John

Analyst, Equities – CRISIL Research

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 the 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 especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-33423561, or via e-mail: [clientservicing@crisil.com](mailto:clientservicing@crisil.com).

For more information on CRISIL IPO Gradings, please visit <http://www.crisil.com/ipo-gradings>

# Olympic Cards Ltd

## CRISIL IPO Grade 1/5 (Poor)

### February 21, 2012

#### Grading summary

CRISIL has assigned a CRISIL IPO grade of '1/5' (pronounced "one on five") to the proposed IPO of Olympic Cards Ltd (Olympic Cards). This grade indicates that the fundamentals of the IPO are **poor** relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The offer price for the issue may be higher or lower than the level justified by its fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor. To arrive at the overall grade, amongst various other parameters, CRISIL has considered the company's business prospects, its financial performance, management capabilities and corporate governance practices.

The grade assigned to Olympic Cards reflects its presence in an industry which by its very nature - highly fragmented, due to low entry barriers - weakens the bargaining power of players. Further, due to low product differentiation, no player enjoys any edge over the competitors. Plus, the current state concentration has put the company's long-term prospects in a noose. Olympic Cards does have plans to augment its manufacturing capacity in Chennai to cater to geographies outside Tamil Nadu. However, the spectre of localised competition looms large. The grade factors in the company's exposure to the risk of brand dilution. It shares the 'Olympic' brand with the promoter's relatives who have a similar business.

Centralised management, and relatively weak internal processes and management information systems have also influenced the grade. Further, the independent directors have limited ability to exercise management oversight.

The grade derives support from the company's presence in the wedding card segment which is expected to grow 15-18% over the next three-five years with nearly 35% of the population in the marriageable age group and increase in wedding budgets.

The company reported turnover and profit of Rs 392 mn and Rs 26 mn, respectively, in FY11. Wedding cards comprise 49% of total revenues. The company's EBITDA margin expanded to 19.1% in FY11 from 10.5% in FY09, but the management had limited understanding about the increase in margins. The company's RoE and RoCE were 26.7% and 24.6%, respectively, in FY11.

#### Contacts:

#### Media

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Head, Communications and Brand Management

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Mobile: +91-9820061934  
Fax: +91-22-3342 3001  
Email: [msamar@crisil.com](mailto:msamar@crisil.com)

#### Analytical

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Chetan Majithia  
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CRISIL Limited  
Phone: +91-22-3342 3000  
Fax: +91-22 -3342 3501

#### Client-Servicing

Client servicing  
Phone: +91-22-3342 3561  
Email: [clientservicing@crisil.com](mailto:clientservicing@crisil.com)



## About the company

Incorporated in 1992, Olympic Cards is a Chennai-based manufacturer and trader of wedding and greeting cards, business cards, envelopes, letterheads, calendars, notebooks and account books. It also trades in printing inks. Its manufacturing facility is located in Chennai with an installed capacity to produce 177 mn pieces (as of FY11). Manufacturing sales comprise 84% of total revenues while trading sales make up the rest. Wedding cards comprise almost 49% of total sales. Its existing client base includes wholesalers as well as retailers. The company procures its key raw material - paper and boards - locally as well as imports them from Indonesia and Hong Kong. It even exports (manufactured and traded) wedding and greeting cards, visiting cards, envelopes and printing inks to Malaysia, Singapore, Sri Lanka and Dubai; but these comprised a miniscule 1% of FY11 sales.

Late Mr N. M. Habibullah founded Olympic Cards in 1962. Originally incorporated as Olympic Business Credits (Madras) Private Ltd in April 1992, the company got converted into public limited in March 1995 and it was rechristened Olympic Cards Ltd in May 1998. The promoter, Mr Noor Mohammed, is the president of Tamil Maanila Card Manufacturers' Association.

### Issue details

<b>Shares offered to public</b>	Not available at the time of grading
<b>As per cent of post issue equity</b>	Not available at the time of grading
<b>Object of the issue</b>	<ul style="list-style-type: none"> <li>Expanding manufacturing facility to 292 mn pieces from 177 mn pieces by setting up a new manufacturing unit in Chennai</li> <li>Setting up four more new outlets</li> <li>General corporate purposes and issue expenses</li> </ul>
<b>Amount proposed to be raised</b>	Rs 270 mn
<b>Price band</b>	Not available at the time of grading
<b>Lead managers</b>	Ashika Capital Ltd

Source: DRHP, CRISIL Research

## Detailed Grading Rationale

### A. Business Prospects

- In a fragmented market amidst strong competition*

Olympic Cards, present mostly in the wedding cards segment and other associated products like greeting cards, envelopes and note books, etc. has a strong presence in South India. However, the wedding card industry by its very nature is highly fragmented with low-product differentiation, resulting in intense competition. Players have weak bargaining power due to low entry barriers and domination by unorganised players. Olympic Cards' competitors in Chennai are Menaka Cards and Lovely Cards. The differentiation lies only in their pricing to capture volumes. Also, customers' choice of cards is more guided by design and aesthetics – so they tend to overlook the brand while buying greeting and wedding cards.

- Wedding card industry expected to grow 15-18% over next three years*

The company derives 49% of its revenues from the wedding card segment, which is expected to grow 15-18% over the next three-five years with nearly 35% of the population in the marriageable age group and increase in spend on weddings.

- Operates in a highly working capital-intensive industry*

Olympic Cards operates in a working capital-intensive industry with a high inventory requirement; it has an inventory of 231 days as of FY11. Significant levels of inventory are required at the raw material stage in the form of paper and in the finished goods stage at the showrooms. High levels of inventory also carry the risk of outdated designs.

- Long track record and known name in wedding cards in South India*

Olympic Cards Group has been in the wedding cards business for almost four decades with a dominant share in the wedding card market in Tamil Nadu. In an industry where the design clock keeps ticking, the survival of a company depends on timely innovation to beat outdated designs. Hence, the company has not only established an in-house research and development facility in Chennai to churn out new designs, but also takes inputs from industry experts by outsourcing cards designing.

- Planned capacity expansion, but challenges ahead*

Olympic Cards plans to augment its installed capacity to 292 mn pieces from 177 mn (as of FY11) through a new manufacturing unit in Chennai by using Rs 270 mn of the IPO proceeds. But this again limits the company to Chennai as the logistics cost would limit its ability to cater to a wider area.

#### Installed capacities

(mn)	Pre-expansion	Post-expansion
Wedding cards	55	105
Greeting cards	10	20
Envelopes	86	126
Letter heads	18	28
Business cards	3	3
Calendars	1	3
Notebooks	3	5
Account books	1	2
<b>Total</b>	<b>177</b>	<b>292</b>

Source: DRHP

CRISIL Research believes the sale of greeting cards would be a challenge as greeting cards are extensively getting replaced by e-cards and SMS. The company had witnessed almost flat sales growth in greeting cards in FY11. Further, the company plans to increase capacity by 47% in the low-margin envelopes segment, which too would drag overall margins.

- ***Geographical concentration – known name in South India***

Its existing manufacturing facility, all but one self-operated sales showrooms, and the five franchises are based in Chennai; only one sales showroom is located in Coimbatore. Although around for over four decades, the company has hardly made any attempt to expand its reach beyond Chennai and Coimbatore. Further, its sales are also concentrated in South India, especially in Tamil Nadu.

- ***Expanding outside South India to be a challenge***

From the issue proceeds, Olympic Cards intends to use Rs 32 mn to set up four sales showrooms in Chennai and expand pan-India through the addition of a few more franchises to reduce regional concentration - but these plans are at the drawing board stage. As of date, the company has drafted the franchisee agreement. However, given the high investment required by the franchises and thin margins in the industry, we believe that it will be a challenge for the company to attract franchisees.

The brand 'Olympic' may be known in South India but not outside. Hence, the company will have to incur additional marketing costs but it has not considered any budget outlays for the same. Further, the management was unable to provide proper explanation why an entity would want to be its franchisee.

- ***Weak management information systems limit control over operations***

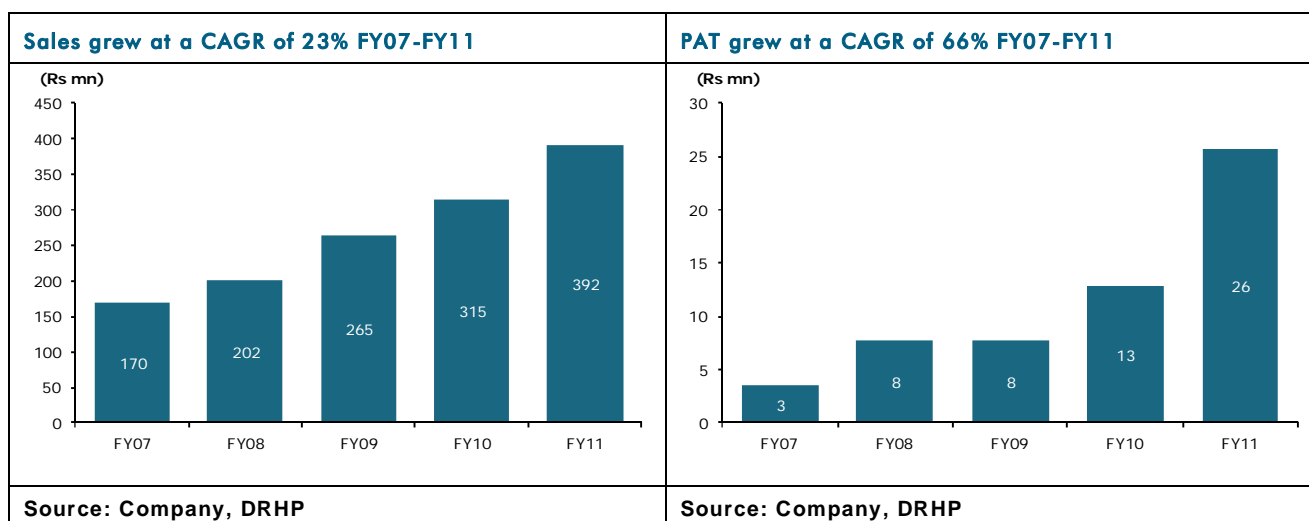
Olympic Cards' internal systems and processes are inadequate for the company's current size and its planned expansions. In addition, the company officials were unable to analyse historic performance and explain expansion in EBITDA margins and increase in effective tax rates in FY10. To increase efficiency, Olympic Cards will have to implement adequate systems and processes that will enable it to monitor performance and accordingly take accurate measures to improve performance.

- ***Potential risk of brand dilution***

Olympic Cards operates under the 'Olympic' brand. By virtue of family arrangement between promoter Mr H. Noor Mohamed and his brother Late H. Salahudeen, the trademark is also used by successors of Late H. Salahudeen, who operate a business similar to Olympic Cards.

## B. Financial Performance

Olympic Cards' revenues grew at a CAGR of 23% over FY07 to FY11; wedding cards had the biggest share with 49% of sales. The company's EBITDA margins significantly expanded from 10.5% in FY09 to 19.1% in FY11. The management indicated that margins expanded due to the sale of high-end wedding cards. The sustainability of the same is a key monitorable. The company's earnings increased at a CAGR of 66% to Rs 26 mn in FY11 from Rs 3 mn in FY07. Further, the company's inventory days also increased significantly to 231 days in FY11 from 100 days in FY07.



### Financial performance snapshot

	FY09	FY10	FY11
Operating income	265	315	392
EBITDA	28	53	75
EBITDA margin	10.5	17.0	19.1
Net profit	8	13	26
Net margins	2.9	4.1	6.6
Adjusted EPS*	0.9	1.6	3.0
Adjusted equity shares*	8.2	8.2	8.5
Net worth	73	83	110
Adjusted Book value *	9	10	13
ROE	11	17	27

\*Adjusted for bonus issue

Note: Numbers have been re-classified as per CRISIL standards.

During FY11, the company issued 0.2 mn shares to promoters/ promoter group at Rs 50 per share and did a bonus issue in the ratio of 3:10. Thereby, the number of equity shares increased from 6.3 mn in FY10 to 8.5 mn in FY11.

Source: DRHP

## C. Management Capabilities and Corporate Governance

- *Centralised management - high dependence on the promoter*

Olympic Cards is a family-oriented and promoter-driven company, with high dependence on the promoter and managing director, Mr Noor Mohammed. At present, he is the only person who understands the dynamics of the manufacturing process and marketing but is constrained by limited financial knowledge. Based on our interactions, we believe the promoter has limited understanding on margins. The promoter's two sons are currently involved in the business operations; from our interactions, we believe both sons have limited understanding of the same.

- *Weak second line of management*

The company lacks a professionally qualified CFO. The promoter handles all the business and financial operations of the company himself. We believe the company needs to hire professionals and experienced personnel to take it to the next level of growth. Further, weak systems and processes limit the company's ability to analyse the historical performance and initiate growth strategies.

- *Independent directors' ability to exercise management oversight is weak*

Olympic Cards' board consists of six members, of whom three are independent directors. This meets the regulatory requirements. Independent directors are professionals with fair experience in their respective professions. In accordance with our conversation with the independent directors, we feel they are not adequately equipped to provide guidance and exercise oversight over the management. We believe these factors limit the board's ability to act in the best interest of minority shareholders.

- *Same line of business*

Both Olympic Cards and Olympia Paper and Stationery are in the business of trading of diaries.

## Annexure I

### Business Profile

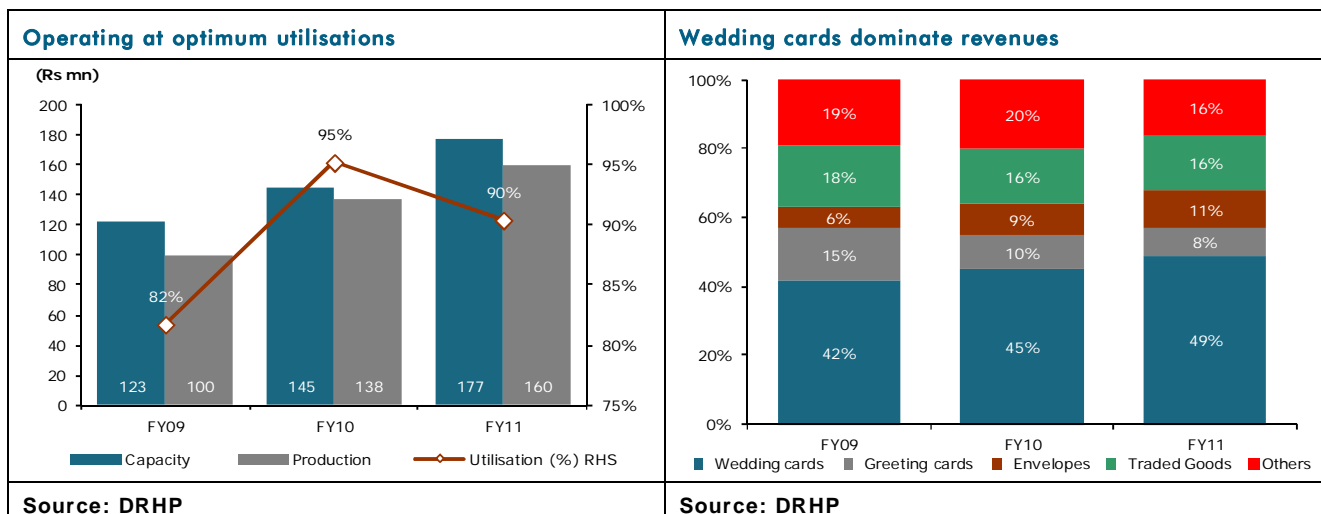
Incorporated in 1992, Olympic Cards is a Chennai-based manufacturer and trader of wedding and greeting cards, business cards, envelopes, letterheads, calendars, notebooks and account books. It also trades in printing inks. Its manufacturing facility is located in Chennai with an installed capacity to produce 177 mn pieces (as of FY11). Manufacturing sales comprise 84% of total revenues while trading sales make up the rest. Wedding cards comprise almost 49% of total sales. Its existing client base includes wholesalers as well as retailers. The company procures its key raw material - paper and boards - locally as well as imports them from Indonesia and Hong Kong. It even exports (manufactured and traded) wedding and greeting cards, visiting cards, envelopes and printing inks to Malaysia, Sri Lanka and Dubai; but these were a miniscule 1% of FY11 sales.

#### Segment-wise capacities and production

Nos in mn	Installed Capacities			Production			y-o-y
	FY09	FY10	FY11	FY09	FY10	FY11	
Wedding cards	45	52	55	38	48	54	11%
Greeting cards	13	10	10	12	10	10	1%
Envelopes	46	63	86	35	62	73	18%
Letter Heads	13	14	18	10	12	17	44%
Business Cards	1	2	3	1	2	2	28%
Calendars	1	1	1	1	1	1	-2%
Notebooks	2	2	3	2	2	2	-12%
Account Books	1	1	1	1	1	1	13%
<b>Total</b>	<b>123</b>	<b>145</b>	<b>177</b>	<b>100</b>	<b>138</b>	<b>160</b>	<b>16%</b>

Source: DRHP

The installed capacities increased by 18% and 22%, respectively, in FY10 and FY11 but the company had limited understanding about the increase in capacities. Despite marginally scaling up the capacity from FY09 to FY10, the company increased its utilisation from 82% in FY09 to 95% in FY10.



## Annexure II: Profile of the Directors

Name	Designation	Age	Qualification	Date of appointment and terms of office	Experience	Director ships in other entities
Mr H. Noor Mohamed	Managing Director	54	B.Sc. (Mathematics)	Appointed as Managing Director w.e.f. September 26, 2011 for a period of 3 years	At present, president of Tamil Maanila Card Manufacturers' Association	NIL
Mrs. S. Jarina	Whole Time Director	51	Diploma in Computer Applications	Appointed as Whole-Time Director w.e.f. September 26, 2011 for a period of 3 years	-	NIL
Mr N. Mohamed Faizal	Whole Time Director	29	M.B.A. (HR)	Appointed as Whole-Time Director w.e.f. December 01, 2007 for a period of 5 years	-	NIL
Mr Lakshmanan Ramanathan	Independent Director	57	M.A.	24-Aug-00	Assistant Editor of 'Kumudam' and 'Kalkandu' Tamil Weeklies. Chairman of the Editorial Board of Manimekalai Prasuram	NIL
Mr N.A. Ameer Ali	Independent Director	78	M.A	11-Aug-05	Retired Principal of Dr. Zakir Husain College, Tamil Nadu. Currently working as a Special Officer in B. S. A. Rahman University in Chennai.	NIL
Dr. S. Amuthakumar	Independent Director	56	M.B.B.S	23-Jul-10	Independent Medical Practitioner and a Family Physician, consultant in Dr. Mehta's Hospitals	NIL

Source: Company, DRHP

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