



## OPAL LUXURY TIME PRODUCTS LIMITED

Our Company was incorporated as Opal Luxury Time Products Private Limited on February 10, 2007 under the Companies Act, 1956 *vide* Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune. Further, our Company was converted into a public limited company *vide* Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated November 01, 2012 issued by the Registrar of Companies, Maharashtra, Pune and the name of our Company was changed to Opal Luxury Time Products Limited. The Corporate Identity Number of our Company is U33309PN2007PLC129597. For further details on change of name and that of registered office of our Company, please see chapter titled "History and Corporate Structure" beginning on page 110 of the Red Herring Prospectus.

**Registered Office:** Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra, India.

**Tel.:** +91 – 20 – 2563 1919, **Fax:** +91 – 20 – 2563 1919; **Extn:** 111, **Website:** www.opalclocks.com; **E-mail:** contact@opalclocks.com

**Contact Person:** Mr. Nikhil Deshpande, Company Secretary and Compliance Officer

## PROMOTERS OF OUR COMPANY: MR. SAMEER GUJAR AND MRS. PRATIBHA GUJAR

**PUBLIC ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UPTO ₹ 1,300 LACS (THE "ISSUE") BY OUR COMPANY, OF WHICH [●] EQUITY SHARES OF ₹ 10 EACH AGGREGATING TO 65 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE ("MARKET MAKER RESERVATION PORTION") AND PRE-IPO PLACEMENT OF 181,818 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING UPTO ₹ 1,99,99,980 ("PRE-IPO PLACEMENT PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

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

**PRICE BAND: ₹ 130 TO ₹ 135 PER EQUITY SHARE OF FACE VALUE ₹ 10 EACH**

In case of revision in the Price Band, the Bid/Issue Period shall be extended for a minimum of three Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited ("NSE") and 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 Syndicates.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended and is being made through a Book Building Process in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

## RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is 13 times of the face value and the Cap Price is 13.5 times of the face value. The Issue Price (as determined and justified by our Company and the Book Running Lead Manager ("BRLM") as stated under the chapter titled "Basis for Issue Price" beginning on page 71 of the Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on the SME Platform of NSE. 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 on the SME Platform of NSE.

## GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 15 of the Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

The Issue has been graded by CRISIL Limited and has been assigned the "CRISIL SME Fundamental Grade 4", indicating Superior fundamentals, through its letter dated February 22, 2013. The IPO grading is assigned on a five point scale from 1 to 5 wherein "CRISIL SME Fundamental Grade 5" indicates Excellent fundamentals and "CRISIL SME Fundamental Grade 1" indicates Poor fundamentals. For further details, please refer to the chapter titled "General Information" beginning on page 38 of the Red Herring Prospectus.

## LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of the NSE and traded in the SME Continuous Market. An in-principle approval from NSE for listing the Equity Shares has been received pursuant to letter no. NSE/LIST/193322-3 dated January 29, 2013. For the purpose of this Issue, NSE shall be the Designated Stock Exchange.

## BOOK RUNNING LEAD MANAGER



**IDBI Capital Market Services Limited**

3rd Floor, Mafatlal Centre,

Nariman Point,

Mumbai – 400 021,

Maharashtra.

**Tel.:** +91 – 22 – 4322 1212

**Fax:** +91 – 22 – 2285 0785

**Website:** www.idbicapital.com

**Email:** opal.ipo@idbicapital.com

**Investor Grievance Email:** redressal@idbicapital.com

**Contact Person:** Mr. Nalin Jain / Mr. Rishi Tiwari

**SEBI Reg. No.:** INM000010866

## REGISTRAR TO THE ISSUE



**Karvy Computershare Private Limited**

46, Avenue 1,

Street No.1, Banjara Hills,

Hyderabad – 500 034,

Andhra Pradesh.

**Tel.:** +91 – 40 – 4465 5000

**Fax:** +91 – 40 – 2343 1551

**Investor Grievance Email:** opal.ipo@karvy.com

**Email:** opal.ipo@karvy.com

**Website:** www.karisma.karvy.com

**Contact Person:** Mr. M. Murli Krishna

**SEBI Reg. No.:** INR000000221

## BID/ISSUE PROGRAMME

**BID/ISSUE OPENS ON: March 25, 2013**

**BID/ISSUE CLOSING ON: March 28, 2013**

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### Company Related Terms

Term	Description
"We", "us", "our", "the Issuer", "the Issue Company", "the Company", "our Company" or "OLTPL"	Opal Luxury Time Products Limited having its registered office at Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Towers, Senapati Bapat Road, Pune - 411 016, Maharashtra, India
Articles / Articles of Association / AoA	Articles of Association of our Company, unless the context otherwise specifies
Auditors / Statutory Auditors	The statutory auditors of our Company, being M/s. Bharat J. Rughani & Co., Chartered Accountants
Board / Board of Directors	The board of directors of our Company or a committee constituted thereof, unless the context otherwise specifies
Director(s)	The director(s) of our Company, unless the context otherwise specifies
Equity Shareholder(s)	Person(s) holding Equity Shares of our Company unless the context otherwise specifies
Key Managerial Personnel	Means those officers or key managerial personnel of our Company other than Executive Directors and at the level immediately below our Board of Directors. For details, please refer to the chapter titled " <i>Our Management</i> " beginning on page 116 of the Red Herring Prospectus.
Memorandum / Memorandum of Association / MoA	The memorandum of association of our Company, unless the context otherwise specifies
Promoters	The promoters of our Company, Mr. Sameer Gujar and Mrs. Pratibha Gujar
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, please refer to the chapter titled " <i>Our Promoter Group</i> " beginning on page 134 of the Red Herring Prospectus.
Registered Office	The registered office of our Company at 'Shree Ganesh', Plot No. 31, Shivaji Housing Society, Behind ICC Towers, Senapati Bapat Road, Pune - 411 016, Maharashtra, India
Roorkee Unit	The manufacturing unit of our Company at Plot No. 5 & 6, Ramnagar Industrial Estate, Roorkee, Uttarakhand

#### Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder, who has been or is to be allotted the Equity Shares after the Basis of the Issue Price in accordance with the Book Building Process, and includes any revisions thereof.
Allottee	A successful Bidder to whom the Equity Shares are Allotted in this Issue
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used compulsorily by all QIBs and Non Institutional Bidders and optionally by Retail Individual Bidders to make a Bid authorising a SCSB, either directly or through

Term	Description
	Syndicate ASBA Members to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder, as specified in the Bid Cum Application Form
ASBA Bidder(s)	Any prospective investor who makes a Bid in this Issue through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being Axis Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described under the chapter titled “Issue Procedure” beginning on page 212 of the Red Herring Prospectus
Bid(s)	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and which is payable by a Bidder on submission of the Bid in the Issue.
Bid Cum Application Form	The application form in terms of which a Bidder (including an ASBA Bidder) makes a Bid in terms of the Red Herring Prospectus and which will be considered as an application for Allotment
Bid/Issue Closing Date	The date after which the members of the Syndicate and the designated branches of the SCSBs shall not accept any Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation, and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	The date on which the members of the Syndicate and the designated branches of the SCSBs shall start accepting Bids for the Issue, which shall be notified in a English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation
Bidder	Any prospective investor who makes a Bid in this Issue including an ASBA Bidder
Bidding Centre(s)	Centre where a Bid is submitted with (i) a SCSB; or (ii) a Member of the Syndicate; or (iii) Broker Centre
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process / Book Building Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
Book Running Lead Manager / BRLM IDBI	Book Running Lead Manager to the Issue, in this case being IDBI Capital Market Services Limited
Broker Centre / Non-syndicate members	Locations where Bid cum Application Form can be submitted and which are part of the nationwide broker network of the Stock Exchange and where there is a presence of the brokers’ terminals, an updated list of which is available on the website of the Stock Exchange.
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN / Confirmation of Allocation Note	The note or advice or intimation of Allocation of Equity Shares sent to the successful Bidders who have been Allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof

Term	Description
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
Compliance Officer	The Company Secretary and Compliance Officer of our Company, Mr. Nikhil Deshpande
Controlling Branch	Such branches of the SCSBs which coordinate under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and NSE, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with BRLM. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 2,00,000. No other category of Bidders are entitled to Bid at the Cut-off Price.
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Designated Branch	Such branches of the SCSBs which shall collect the Bid cum Application Form used by ASBA Bidders and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which funds are transferred from the Escrow Account to the Issue Account or the Refund Account, as appropriate, 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	National Stock Exchange of India Limited
Draft Red Herring Prospectus / DRHP	The draft red herring prospectus dated January 22, 2013 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with the National Stock Exchange of India Limited and which did not contain complete particulars of the price at which the Equity Shares would be issued and the size of the Issue
Eligible NRIs	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
Eligible QFIs	QFIs from such jurisdictions outside India (i) which are compliant with FATF standards and are signatories to the International Organisation of Securities Commission's ("IOSCOs") Multilateral Memorandum of Understanding; (ii) who have opened demat accounts with SEBI registered qualified depository participants and (iii) where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby.
Equity Shares	Equity shares of our Company of face value ₹ 10 each, fully paid up, unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, 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 on the terms and conditions thereof
First/Sole Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form



Term	Description
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids (or a revision thereof) will be accepted
Issue	This public issue of [●] Equity Shares aggregating upto ₹ 1,500 lacs, constituting the Net Issue, the Pre-IPO Placement & Market-Maker Reservation Portion.
Issue Agreement	The agreement dated January 22, 2013 entered into between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the 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 gross proceeds of the Issue that would be available to our Company upto ₹ 1,500 lacs
Market Maker	IDBI Capital Market Services Limited will act as the market maker and have agreed to receive or deliver the Equity Shares in the market making process for a period of three years from the date of listing of our Equity Shares in the manner specified by SEBI in the manner specified by SEBI and in accordance with the SEBI ICDR Regulations.
Market Maker Reservation Portion	The reserved portion of [●] Equity shares of face value of ₹ 10 each at ₹ [●] per Equity Share aggregating to ₹ 65 lacs for designated Market Maker
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
Net Issue	The Issue aggregating to ₹ [●] lacs (excluding the Market Maker Reservation Portion) of [●] Equity Shares at an Issue Price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share and Pre-IPO Placement of 181,818 Equity Shares for cash consideration aggregating up to ₹ 1,99,99,980 lacs)
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 60 of the Red Herring Prospectus
Non-Institutional Bidders	All Bidders including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 200,000 (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 available for allocation to Non-Institutional Bidders on a proportionate basis.
Non-Resident Indian or NRI	A “person resident outside India”, as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended).
NSE	National Stock Exchange of India Limited
NSE SME Exchange / SME Exchange / SME Platform of NSE	The SME Platform of NSE which was approved by SEBI as an SME Exchange on October 14, 2011 for listing of securities offered under Chapter XB of the SEBI ICDR Regulations.
Objects of the Issue	Objects of the Issue as set out under the chapter titled ‘Objects of the Issue’ beginning on page 60 of the Red Herring Prospectus.
Pre-IPO Placement	The private placement of up to 181,818 Equity Shares, for cash consideration aggregating up to ₹ 19,999,980 by our Company at its discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. Accordingly, 181,818 Equity Shares issued pursuant

Term	Description
	to the Pre-IPO Placement is proportionately reduced from the Issue, and the Net Issue being at least 25% of the fully diluted post-Issue paid up capital of our Company.
Price Band	Price band of a minimum price (Floor Price) of ₹ 130 and the maximum price (Cap Price) of ₹ 135 and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily newspaper in Marathi with wide circulation at least five working days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, <i>inter alia</i> , 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	The bank account opened under Section 73 of the Companies Act with the Banker(s) to the Issue to receive money from the Escrow Accounts on the Designated Date and where the funds transferred by the SCSBs from the ASBA Accounts shall be received
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance companies registered with Insurance Regulatory and Development Authority, Provident funds with minimum corpus of ₹ 250 lacs, Pension Fund with minimum corpus of ₹ 250 lacs, NIF and Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
QIB Portion	The portion of the Issue, being not more than 50% of the Issue consisting of [●] Equity Shares, available for allocation to QIBs on a proportionate basis
Qualified Foreign Investors / QFIs	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.</p>
Red Herring Prospectus/ RHP	The red herring prospectus dated March 14, 2013 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with the National Stock Exchange of India Limited and the RoC and

Term	Description
	which does not contain complete particulars of the price at which the Equity Shares will be issued
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds (excluding to the ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s) / Refund Banker(s)	The bank(s) which have been appointed/designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and/or physical mode in accordance with the procedure contained in the chapter titled "Issue Procedure" beginning on page 212 of the Red Herring Prospectus.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS / NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Registrar to this Issue, in this case being Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual bidders (including HUFs applying through their Karta and does not include NRIs other than eligible NRIs) who have Bid for Equity Shares for an amount less than ₹ 200,000 in any of the bidding options in the Issue
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Form or any previous Revision Form(s)
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Self Certified Syndicate Bank or SCSBs	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making Applications Supported by Blocked Amount and recognised as such by SEBI, a list of which is available at <a href="http://www.sebi.gov.in/">http://www.sebi.gov.in/</a>
SME Continuous market	The regular trading hours of Equity Shares on the SME Platform of the NSE
Stock Exchange	National Stock Exchange of India Limited
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue
SVCL	SIDBI Trustee Company Limited A/c India Opportunities Fund, managed by SIDBI Venture Capital Limited
Syndicate	Includes the BRLM, Syndicate Members and Sub-Syndicate Members
Syndicate Members / Members of the Syndicate	Intermediaries registered with the SEBI to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being IDBI Capital Market Services Limited
Syndicate Agreement	The agreement dated March 14, 2013 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.
Transaction Registration Slip/ TRS	The slip or document issued by the SCSB (only on demand), to the Bidder as proof of registration of the Bid
Underwriter	The Book Running Lead Manager, in this case, IDBI Capital Market Services Limited
Underwriting Agreement	The agreement to be entered into amongst the Underwriter, the Registrar to the Issue and our Company
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



Term	Description
	Mumbai are open for business.

### Technical / Industry Related Terms / Abbreviations

Term	Description
B2B sales	Business to Business
IIID	Indian Institute of Interior Designers
Metro Cities	New Delhi, Mumbai, Kollata and Chennai
Mould	A hollow container used to give shape to molten or hot liquid material when it cools and hardens
MRP	Maximum Retail Price
ORP	Organised Retail Penetration
Sq.Ft	Square Feet
Style	Nomenclature used by our Company for each distinguished designed product
Tier I City	Cities with a population of more than four Million, except Metro cities
Tier II City	Cities with a population between one to four Million

### Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	The Companies Act, 1956, as amended
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AY	Assessment Year
BAN	Beneficiary Account Number
BPLR	Bank Prime Lending Rate
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
CIN	Corporate Identity Number
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended
DIN	Director Identification Number
DP / Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation and extraordinary items
ECS	Electronic Clearing Service
EGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a Fiscal divided by the weighted average outstanding number of Equity Shares at the end of that Fiscal
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/	Period of twelve months ended March 31 of that particular year, unless

Term	Description
Fiscal/ FY	otherwise stated
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 registration number
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IEC	Import Export Code
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IRDA	Insurance Regulatory and Development Authority
I.T. Act	The Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Listing Agreement	Listing Agreement to be entered into by our Company with NSE.
MICR	Magnetic Ink Character Recognition
mn/mn.	Million
MOEF	Ministry of Environment and Forest, Government of India.
MOU	Memorandum of Understanding
NA / 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 expenses not written off) and debit balance of Profit and Loss account, divided by outstanding number of issued Equity Shares
NCR	National Capital Region
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
PBT	Profit before tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC / Registrar of	Registrar of Companies, Pune

Term	Description
Companies	
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rs./ ₹/ Rupees/ INR	Indian Rupees, the official currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
SME	Small and Medium Enterprises
sq. m. / sq. mtrs. / sqm.	Square meter(s)
State Government	The government of a state of the Union of India
TAN	Tax Deduction Account Number
TIN	Tax Payers Identification Number
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD / US\$ / \$ / U.S. Dollars	United States Dollars, the official currency of the United States of America
VCF	Venture Capital Funds
WOS	Wholly Owned Subsidiary
YoY	Year on Year

Notwithstanding the definitions and abbreviations included in this portion, the terms defined in the portions titled “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Financial Information”, “Key Industry-Regulations”, “Main Provisions of our Articles of Association” and “Disclaimer Clause of the National Stock Exchange of India Limited” shall have the meaning given to such terms in that paragraph.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in the Red Herring Prospectus are to the Republic of India, together with its territories and possessions. Unless the context otherwise requires, all references to the “Company”, “we”, “us” and “our” refers to Opal Luxury Time Products Limited.

### Financial Data

Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our audited financial statements in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Red Herring Prospectus, and set out in the section titled “*Financial Information*” beginning on page 136 of the Red Herring Prospectus. Our Company’s financial year commences on April 1 and ends on March 31 of the following year, so all references to a particular Fiscal Year or Financial Year or FY are to the twelve-month period ended March 31 of that year. In the Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sum of the amounts listed are due to rounding off.

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

Any percentage amounts, as set forth in the sections/chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 15, 32 and 164 respectively, of the Red Herring Prospectus and elsewhere in the Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

### Currency of Presentation

In the Red Herring Prospectus, unless the context otherwise requires, all references to;

- “Rupees” or “₹” “Rs.” or “INR” or are to Indian Rupees, the official currency of the Republic of India.
- “US Dollars” or “US\$” or “USD” or “\$” are to United States Dollars, the official currency of the United States of America.

All references to the word ‘Lakh’ or ‘Lac’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lacs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout the Red Herring Prospectus has been obtained from publications (including websites) available in public domain and our internal reports. These industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe market

data used in the Red Herring Prospectus is reliable, neither we nor the BRLM have independently verified such information or ascertained the underlying economic assumptions contained therein. The data used from these sources may have been reclassified by us for purposes of presentation. Data from various market sources may not be comparable. The extent to which the market and industry data is presented in the Red Herring Prospectus is meaningful depends upon 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 market and industry sources.



## NOTICE TO INVESTORS

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. 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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Any representation to the contrary is a criminal offence in the United States.

## FORWARD-LOOKING STATEMENTS

All statements contained in the Red Herring Prospectus that are not statements of historical facts constitute “*forward-looking statements*”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Red Herring Prospectus and regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

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

Important factors that could cause actual results to differ materially from our expectations include, among others:

1. Implementation risks involved in our projects;
2. Significant changes in the exchange rates;
3. Working capital arrangements;
4. Changes in laws and regulations relating to the industry in which we operate;
5. Disruption in supply of raw materials;
6. Changes in political and social conditions in India, the monetary and interest rate policies in India and / or other countries, inflation, deflation, anticipated turbulence in interest rates, equity prices or other rates or prices;
7. Our ability to successfully implement our strategy, growth and expansion plans;
8. The outcome of legal or regulatory proceedings that we are or might become involved in;
9. Contingent liabilities and uninsured losses;
10. Developments affecting the Indian economy;
11. Ability to retain appropriate personnel;
12. Occurrence of natural disasters or calamities affecting the areas in which our Company has its operations.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapter titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 15, 92 and 164 of the Red Herring Prospectus respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements reflect views as on the date of the Red Herring Prospectus and not a guarantee of future performance. Neither our Company, nor our Directors and officers, the Book Running Lead Manager or any of the members of the Syndicate nor any of their respective affiliates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, Our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading approvals by NSE.

## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Red Herring Prospectus, including the risks and uncertainties summarised below, before making an investment in the Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company, our business and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Business Overview' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 92 and 164 respectively, of the Red Herring Prospectus as well as the other financial and statistical information contained in the Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Information' beginning on page 136 of the Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer from material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

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

*These risks are not the only ones that our Company / our Business / our Equity Shares or the industries our Company is engaged in, faces or may face. Our business operations / our Company / our Equity Shares or the industries our Company is engaged in, could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

### **Materiality**

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

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

### **Internal risks**

- 1. There is a pending legal proceeding involving our Promoters. Any adverse decision in this proceeding may render them liable to claims/penalties and may adversely affect our reputation.***

Our Promoters are involved in a pending legal proceeding. The proceedings are pending in the High Court of Bombay, Mumbai. No assurances can be given that the legal proceeding will be decided in favour of our Promoters or that it may not have any adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. Further, our Promoters have jointly pledged 4,900 Equity Shares with the petitioner to this civil suit for repayment of a loan. In terms of the pledge, the Promoters, in the Deed of Declaration dated October 05, 2009, have agreed that all rights, title, interest, benefits of these Equity Shares will automatically come to the said petitioner if the said loan payable to the said petitioner is not repaid by March 31, 2012 and that on or after March 31, 2012, on the said loan repayment unpaid, the said petitioner will deposit these Equity Shares to our Company and our Promoters will sign the transfer deed without any objection. However, the said petitioner has not lodged any transfer deeds with our Company nor has the said loan been repaid, as

on date of the Red Herring Prospectus. Any adverse decision may have a significant impact on our reputation. Further, the process for completing the pledge of the aforesaid Equity Shares post dematerialisation is under process as on the date of Red Herring Prospectus.

Further, should any new developments arise, such as any change in Indian law that may have a retrospective effect on any cause of action that has already arisen, rules, regulations or any orders against the parties by appellate courts or tribunals, our Company may need to make additional provisions in its financial statements that could increase expenses and current liabilities.

For further details regarding the legal proceeding, please refer to the chapter titled 'Outstanding Litigations and Material Developments' beginning on page 187 of the Red Herring Prospectus.

**2. Our Company has in the past entered into related party transactions and may continue to do so in the future.**

Our Company has, in course of business, entered into certain business transactions with related parties. Further, we have also paid an amount of ₹ 100.00 lacs to M/s. Opal Industries & ₹ 101 to Mrs. Pratibha Gujar, for assignment of intellectual property and ₹ 581.88 lacs to M/s. Opal Industries for transfer of business know-how/connections & related goodwill. The transactions by our Company with related parties as summarised from the financial statements is as given below:

**Firm in which Relatives of key management personnel having interest (With whom transactions have taken place during the year):**

(₹ in lacs)

Sr. No.	Transactions during the year	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
	Opal Industries						
1.	Capital Advance Given (For Trademark/Goodwill/Trade Names/Business Connections)	-	126.23	95.79	43.08	155.23	261.55

**Holding Company**

(₹ in lacs)

Sr. No.	Transactions during the year	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
	Innoventive Venture Limited						
1.	Share Capital	-	198.80	-	-	-	-

While our Company believes that all our related party transactions have been conducted on an arm's length basis, our Company cannot assure you that it could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's business, prospects, results of operations and financial condition, including potential conflicts of interest or otherwise. For more information on our related party transactions, please refer to Annexure - XXXI titled "Statement of Related Parties Transactions, As Restated" under the chapter titled "Financial Statements" beginning on page 136 of the Red Herring Prospectus.

**3. Our Company has had negative cash flows in the past.**

The following table sets forth selected items from our restated cash flow statement for the periods indicated:

(₹ in lacs)



Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
Net cash provided by/(used in) operating activities	226.10	172.94	63.38	(83.11)
Net cash provided by/(used in) investing activities	(93.02)	(220.09)	(138.19)	(59.47)
Net cash provided by/(used in) financing activities	(173.11)	101.10	95.97	156.36
Net increase / (decrease) in cash and cash equivalents	(40.03)	53.95	21.16	13.78

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its 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 flow, it may adversely affect our business and financial condition. For further details please refer to the chapters titled 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 136 and 164 respectively, of the Red Herring Prospectus.

- 4. Our business is primarily dependent on import of clock components. Any disruption in the supply of these components could have a material adverse effect on our business operations and financial conditions. Further, substantial portion of our domestic and foreign purchases for supply of these components in the past has been dependent on few vendors and may continue in the similar pattern in future. The loss of any one or more of our major vendors would have a material adverse effect on our business operations and financial condition.**

Clock movements, which form an integral part of our manufacturing operations, are sourced from vendors from Taiwan. Likewise, majority of the other clock components are also currently sourced from vendors from India and abroad. Since we do not have long term arrangements with such vendors, we cannot assure you that we shall always have a steady supply of consistent quality and at prices favourable to us. Inadequate supply of such components caused either by default of the supplier or by a sudden change in the prices or imposition of any new taxes or for any other reason could have a material adverse effect on our business operations and financial condition. Further, substantial portion of our domestic and foreign purchases for supply of these components in the past has been dependent on few vendors and may continue in the similar pattern in future. We cannot assure you that we can continue to procure these components from these vendors in future or that we will be able to replace these vendors in case we lose them. In case of loss of any of our existing major vendors for any reason, it would have a material adverse effect on our business operations and profitability.

- 5. Purchase costs of clock movements significantly affect our Company's cost of material consumed. Any material increase in the costing of clock movements or any shortfall in its supply could have a material adverse effect on our Company's business and financial condition.**

Our Company purchases clock movements from select vendors/suppliers for a few years now. However, we do not have any long-term agreements with these vendors/suppliers and accordingly, we cannot control the cost of purchase of clock movements. Further, due to lack of arrangement, we cannot assure timely and regular supply of the clock movements to us as per our requirements. Although the impact of cost of clock movements is entirely passed on to our clients, any increase in the price of these costs, which our Company is unable to pass on the impact of, or any delay in supplies due to us may have a material adverse effect on our business, result of operations and financial condition. Further, any material shortage or interruption in the supply of these clock movements due to natural causes or other factors may also adversely affect our Company's business and financial condition.

**6. *Competition from other domestic manufacturers, particularly in the unorganised sector may adversely affect our profitability.***

We face competition from other existing domestic manufacturers and potential entrants to the industry in which we operate that may adversely affect our competitive position and our profitability. Loss of market share and competition may also adversely affect our profitability. We also face competition for customers from other players in the organised and unorganised markets. We expect competition could increase with new entrants coming into this industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources and hence our inability to compete more effectively may adversely affect our profitability.

**7. *We are subject to risks associated with parts' replacement and product liability costs due to defects in our products, which is not be covered by insurance, which could generate substantial claims, adverse publicity or adversely affect our business operations, results of operations or financial condition.***

Defects, if any, in our products could require us to undertake service actions or parts' replacements, as part of the product warranty we offer. These actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. We are not covered by insurance for product liability claims. Repeated successful claims in connection with alleged defects in our products would adversely affect the reputation and goodwill of our brands and our results of operations. Our management resources could also be diverted away from our business towards defending such claims. As a result, our business operations, results of operations and financial condition could suffer.

**8. *The use of our trademarks or other intellectual property by third parties or any negative publicity may adversely affect our financial condition and result of operations.***

We owe our sales and profits mainly to our business activities by way of marketing under our established brands, 'Opal' and 'Caliber'. Although we have registered these brands as trademarks in India and the United States, there can be no assurance that we have taken all adequate steps at all times to prevent third parties from using these trademarks or from naming any products using this trademark. In case any third parties (or competitors/peers) use these registered trademarks unlawfully or make copies of any of our products, it may result in loss of business to such third parties (or competitors/peers). Further, any potential negative publicity in relation to these trademarks may adversely affect the reputation and goodwill of our brands and that of our Company.

In addition, we have not protected any of the products that we sell under any intellectual property laws, as a registered design/patent. Further, products developed by us may inadvertently infringe on the intellectual property rights of third parties, which may expose us to legal proceedings in relation to such inadvertent infringement of intellectual property.

In the event of any infringement of our registered trademarks or reproduction of products, or any of the aforesaid events, we may not have an immediate recourse, which may adversely affect our ability to conduct our business as well as affect our reputation and consequently, our results of operations. For further details, please refer to the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' beginning on page 92 of the Red Herring Prospectus.

**9. *Any inability to successfully implement the plans as stated in our 'Objects of the Issue' as per the schedule of implementation and budgeted costs may adversely affect our business operations, results of operations and financial condition. Further, we may not be successful in implementing our business strategies effectively or at all.***

We plan to expand our operations at our Roorkee Unit through capacity expansion and import substitution. In the event, we are unable to meet the 'Objects of the Issue' with the Net Proceeds of the Issue and our internal accruals or in case of any cost over-runs or any increase in the fund requirements of our expansion plans, we may not be able to successfully execute and implement the plans as stated in our 'Objects of the Issue' or be able to execute it as per the schedule of

implementation and budgeted costs or be able to garner requisite market share. Further, a failure by our Company to raise any additional capital to fund our expansion or meet the 'Objects of the Issue', due to any unforeseen contingencies like changes in market environment, technology, customer preferences, change in government, etc. could adversely affect our business operations, financial conditions and results of operations.

The success of our business will depend greatly on our ability to implement our business strategies effectively and has placed and is expected to continue to place, significant demands on our management, capital, administrative and human resources. In the event we are unable to execute our business strategy or expansion plans, fully or successfully our development might be hindered. As such, we cannot assure you that we will be able to execute our business strategy successfully or fully or at all, or that we will be able to manage our growth effectively, and any failure to do so could have a material adverse effect on our business, prospects, financial condition or results of operations. For details, please refer to the paragraph titled "*Business Strategy*" under the chapter titled "*Business Overview*" beginning on page 92 of the Red Herring Prospectus.

**10. *We are subject to certain restrictive covenants under the loan facility provided to us by various lenders which could have material adverse effect on our business and financial performance. Further, our lenders have charge over our movable properties in respect of finance availed by us.***

Our Company has availed secured loan from Intec Capital Limited ("**Intec**") and Central Bank of India ("**Central Bank**"). Our loans are primarily secured by creating a charge over our immovable properties and hypothecation over other assets. In the event, we commit a default in repayment of these loans and any interest/charges thereon, our properties/assets may be forfeited to our lenders. Our borrowing arrangements with our lenders have certain restrictive covenants which include:

*Intec:*

- Affect any material change in the ownership/constitution management of the business;
- Enter into arrangement/agreement for sale, merger, consolidation, transfer of all or substantial portions of the borrowers assets;
- Create or permit the creation of any further charge , lien or other encumbrances on the security provided in the loan agreement; and
- Repay any loans, advances, credits etc. or part thereof to its directors, promoters, partners or his/their friends, relatives or any company firm etc. in which such directors, promoters, partners, friends relatives are interested.

*Central bank:*

- Company will not, except with the consent in writing of Central Bank, create any mortgage, charge, lien or encumbrance thereon affecting the same or any part thereof nor do anything which would prejudice any security created; and
- Prior approval of Central Bank in writing is required in case our Company intends to undertake to effect any change in our Company's capital structure.

In the event our lenders refuse to grant the requisite approvals, such refusal may adversely affect our business operations. Further, a breach of any of the covenants imposed by such approvals may be considered as a default of our obligations under the terms of these borrowing arrangements which may adversely affect our business operations and financial condition.

**11. *The loss of or shutdown of our operation at our manufacturing unit could have a material adverse effect on our business, financial condition and results of operations.***

We operate our Roorkee Unit to carry out our manufacturing activities. Our Roorkee Unit is subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilisation rates,

obsolescence of equipment, industrial accidents or natural calamities like earthquakes, etc. or any other reason and the need to comply with the directives and applicable regulations. Although, we have had no such occurrences in the past and we take precautions to minimise the risk of any significant operational problems at our facilities, the occurrence of any of the aforementioned operating risks or any other that we may not have foreseen, could significantly affect our business, financial condition and results of operations.

***12. Several agreements entered into by our Company are not adequately stamped and registered.***

Several agreements entered into by our Company are not adequately stamped and/or registered. This includes agreements like those entered into with our customers for long terms arrangements and that with our Managing Director for his service tenure in our Company. The potential consequence of this could be that such agreements may not be admissible as evidence in a court of law, until the adequate stamp duties are paid and the relevant registration, if required, is done. In the event we are unable to produce an evidence to the satisfaction of the court in any pending proceeding, an adverse decision in such matter may have an adverse effect on our reputation. For details of our contracts, please refer to the chapters titled "History and Corporate Structure" and "Our Management" beginning on pages 110 and 116 respectively, of the Red Herring Prospectus.

***13. Our success depends largely on the services of our Promoter and that of our key managerial personnel and our ability to attract and retain them. Any inability to retain them could adversely affect our business prospects, financial condition and results of operation.***

We are highly dependent on the services and experience of our Promoter, Mr. Sameer Gujar and that of our key managerial personnel. We do not maintain key man life insurance for any of the senior members of our management team or other key managerial personnel. We cannot assure that we will be able to retain our senior management personnel or key personnel or attract and retain them in the future or successfully attract/retain new employees who replace them, with equivalent or more expertise, in the future. The loss of continued services of any of the members of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. For further details, please refer to the chapter titled "Our Management" beginning on page 116 of the Red Herring Prospectus.

***14. Substantial portion of our revenues in the past has been dependent on few customers. The loss of any one or more of our major customers would have a material adverse effect on our business operations and profitability.***

For the half-year ended September 30, 2012, our top ten (10) customers accounted for approximately 60%) of our revenue of which, we have long-term contracts with seven (7) of them only. We cannot assure you that we will continue to maintain such levels of business from our top customers or that we will be able to replace our top customers in case we lose any of them. In case we are unable to broad base our customer profile, the loss of any of our existing major customer, for any reason, would have a material adverse effect on our business operations and profitability.

***15. Failure to renew our long-term agreements with some of our customers may have a material adverse effect on our business, results of operations and financial condition.***

Our Company has been dealing with some of our customers for a few years now with whom we have long-term agreements. Although, we lay a strong emphasis on quality, timely delivery of our products and personal interaction by the top management with these customers, they do not have any obligation to renew such agreements. In the event of termination (pre-mature or otherwise) of such agreements or a failure to renew these agreements on the same/similar terms or terms favourable to us or at all, may adversely affect our manufacturing operations and, consequently, our business.

***16. Our Company has taken unsecured loans which are repayable on demand. Any demand for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.***

As on March 13, 2013, our Company has interest free unsecured loans aggregating to ₹ 63.49 lacs which are repayable on demand. For further details of these unsecured loans, please refer to chapter titled “Financial Information” beginning on page 136 of the Red Herring Prospectus. In the event of any demand for repayment of such unsecured loans, the resultant cash-flow, may adversely affect our business operations and financial position of our Company.

**17. *We are subject to risk arising from exchange rate fluctuations.***

Our exchange rate risk primarily arises from our import of clock components including clock movements which are denominated in US Dollars. The exchange rate between the US Dollars with that of the Indian Rupee has been volatile in recent years and may continue to fluctuate in the future. Depreciation of the Indian Rupee against US Dollars may have a material adverse effect on the cost of purchase of clock components including clock movements, which may in turn have a negative impact on our business and results of operations.

**18. *Our results of operations could be adversely affected by strikes, lock-outs, work-stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

Although, we have not faced any disruptions and disturbances in our business operations owing to any kind of strikes, lock-outs or any other kind of work-stoppages, in the past, we cannot assure that we will not experience any such disruptions or disturbances in the future. Further, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we do not propose to engage such labourers directly, in light of any new statutory requirements, we may be required to make payment of wages to labourers engaged by contractors, should the contractors default on any wage payments. Any requirement to fund such payments or in the event of any of the unforeseen circumstances aforementioned, our business, financial condition and results of operations may be adversely affected.

**19. *Our manufacturing unit and other business operations are on properties that are not owned by us. Disruption of our rights to use these properties may adversely affect our manufacturing operations and our business.***

Our manufacturing units and business operations are on properties taken on leave & license basis or lease basis. Any disruption of our rights to use the properties or termination of the agreements or a failure to renew these agreements on the same terms or terms favourable to us or at all, may adversely affect our manufacturing operations and, consequently, our business.

**20. *Any inability to manage our growth may adversely affect our business, results of operations and financial condition.***

We have experienced significant growth in recent years. Our revenue from operations increased from ₹ 383.85 lacs in FY 2008 to ₹ 1,721.53 lacs in FY 2012 at a CAGR of 45.53%, while our net profit, as restated, increased from ₹ 42.16 lacs in FY 2008 to ₹ 288.72 lacs in FY 2012 at a CAGR of 61.76%. Our revenue from operations and net profit, as restated, was ₹ 957.32 lacs and ₹ 136.84 lacs for the half year ended September 30, 2012, respectively. We expect our future growth to place significant demands on both our management and our resources. Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand our operations, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets.

If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

**21. *Our Company's inability to maintain satisfactory credit ratings in any future periods and any future downgrading in our Company's credit ratings may have an adverse effect on our business, results of operation and financial condition.***



Our Company had received a rating of “CARE BB+” for long term facilities and “CARE A4+ ” for short term facilities’ from Credit Analysis and Research Limited *vide* its letter dated October 29, 2012. There is no assurance that we will be able to maintain satisfactory credit ratings in any future periods. Further, any future downgrading in our credit ratings may have an adverse effect on our ability to borrow funds and consequently on our business, results of operation and financial condition.

**22. *Our Promoters, Directors and key managerial personnel have interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefit.***

Our Promoters, Directors and key managerial personnel have interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefits and may be deemed to be interested to the extent of Equity Shares, if any, held by them from time to time, or by their relatives or any firms or other entities/bodies corporate in which they have interest and also to the extent of any dividend payable to them, right to receive offer for rights’ issue and be allotted bonus shares, if announced and other distributions in respect of the said Equity Shares. For further details, please refer to the chapters titled “*Our Management*” and “*Our Promoters and their Background*”, beginning on pages 116 and 131, respectively of the Red Herring Prospectus.

**23. *Our insurance cover may not adequately protect us against all material hazards.***

Our Company maintains limited insurance coverage against various risks inherent to our business activities, including property damage caused by fire, burglary, transit, etc. that may result in physical damage or destruction or other kind of losses to our equipment, assets and stocks. We cannot assure that we will maintain insurance coverage that will be adequate to cover any and all claims that may arise. In the event we suffer loss or damage for events for which we are not insured or for which our insurance coverage is inadequate or limited, the loss would have to be borne by us, and, as a result, our results of operations and profitability could be adversely affected. For further details, please refer to the paragraph titled “*Insurance*” under the chapter titled “*Business Overview*” beginning on page 92 of the Red Herring Prospectus.

**24. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution nor have we entered into any definitive agreement to meet the ‘Objects of the Issue’. Further, the deployment of funds is entirely at our discretion and is not subject to monitoring by any external independent agency. Any revision in the estimates may require us to reschedule our proposed expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotation from suppliers & current business plan and have not been appraised by any bank or financial institution. Further, the cost related to the Objects of the Issue is based on management estimates and estimates obtained from a third party vendor. Such estimates are based on certain assumptions and the estimates and the assumptions may be revised based on several factors including mould type, investment in branding, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, etc. which may not be within our control. Further, there can be no assurance that the third party vendor who has provided the estimates will be engaged to eventually provide the services for which they have provided such estimates. If another party is engaged other than these are engaged, their estimates and the actual costs for the services they provide may be substantially higher from the estimates currently received by us. 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 our discretion. Also, we have not entered into any definitive agreement to meet the ‘Objects of the Issue’. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 60 of the Red Herring Prospectus. Further, pending the utilisation of the Net Proceeds, we intend to temporarily invest the funds from the Net Proceeds in interest bearing instruments including investment in money market,

mutual funds, deposits with banks and other interest bearing securities for the necessary duration. There can be no assurances that such investments would be profitable.

**25. *We may face risks related to credit given to our customers.***

As of March 31, 2012 and September 30, 2012, our sundry debtors owed us ₹ 758.10 lacs and ₹ 667.43 lacs, respectively out of which 11.11% and 8.13% is due for more than six months as of March 31, 2012 and September 30, 2012 respectively. Hence, currently we are exposed to credit risk on monies owed to us by our customers. We cannot assure you that this trend can be discontinued in future and that if our customers do not pay us on time, or at all, we may have to make provisions for or write-off such amounts which may adversely affect our financial condition.

**26. *We receive certain tax benefits, which may not be available to us in the future.***

Taxes and other levies imposed by the GoI or State Governments that affect our industry include excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time or any imposition of any other charges by the Central and the State Governments or increases in existing charges may adversely affect our results of operations. Currently, the business operations of our Company entitle us to certain tax benefits such as direct tax incentives. In the event we no longer to continue to be entitled to such benefits due to change in governmental policies or due to change in our business operations' that entitle us to such benefits or in the event any of the aforesaid additional taxes that may be levied on us, our financial conditions may be adversely affected. For details of the tax benefits available to us, please refer to the chapter titled "Statement of Tax Benefits" beginning on page 74 of the Red Herring Prospectus.

**External risks**

**27. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business.***

We require various statutory and regulatory permits and approvals to operate our business. For details on the status of our statutory and regulatory permits, please refer to the chapter titled "Government and Other Approvals" beginning on page 189 of the Red Herring Prospectus. Some permits and approvals are required to be renewed upon their expiry. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time-frame anticipated by us, or at all. Any failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business.

**28. *Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.***

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions which occur in the third and fourth quarter of the fiscal year. While we stock certain inventory to account for this seasonality, our operating costs such as property rentals and employee salaries, which form a significant portion of operating costs are relatively constant throughout the year. Consequently, lower than expected net sales during the third or fourth quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year. Any slowdown in demand for our products during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

**29. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule.***

Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, restrictive covenants in our financing arrangements and our debt repayment schedule. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and those that we may enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements, financial condition and results of operations.

**30. *We are exposed to risk related to variations in interest rate.***

Our indebtedness to banks is exposed to risk in the form of policy changes by the RBI with respect to interest rates. The interest rates on these borrowings follow RBI's policies, which are generally announced through credit policy measures announced from time to time by RBI. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. Moreover, our interest rate risk is also affected primarily by the short-term interest rates set by Indian banks.

**31. *Additional issuances of equity may dilute your holdings.***

Any future issuance of our Equity Shares or securities linked to our Equity Shares may dilute your shareholding in our Company. Any issuance of Equity Shares may dilute the holdings of our existing shareholders. After the completion of the Issue, our Promoters and members of the Promoter Group will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters and the members of the Promoter Group could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

**32. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors. For further information, please refer Chapter titled "Basis for Issue Price" beginning on page 71 of the Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**33. *Fluctuations in operating results and other factors may result in decreases in our Equity Share price.***

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares. If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realised, resulting in a decrease in the market price of our Equity Shares. In addition to our operating results, the operating results of other competitor companies, changes in financial estimates or recommendations by analysts, governmental investigations and litigation, speculation in the press or investment community, changes in general conditions in the economy or the financial markets, or

other developments affecting the industry in which we operate, could cause the market price of our Equity Shares to be issued to fluctuate substantially.

**34. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

**35. *The Equity Shares issued pursuant to the Issue may not be listed on the SME Platform of NSE in a timely manner, or at all and any trading closures at SME Platform may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares on the SME Platform of NSE issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the SME Platform of NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. NSE has, in the past, experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on, the SME Platform of NSE could adversely affect the trading price of the Equity Shares.

**36. *Our business and results of operations are also affected by government policy on duties, taxation and export incentives.***

Taxes and other levies imposed by the GoI or state governments that affect our industry include:

- import duties on imports of clock movements;
- central excise duty;
- central sales tax;
- income tax;
- value added tax; and
- any other new or special taxes, cess and surcharges introduced on a permanent or temporary basis from time to time.

A hike in any of the above taxes or levies may significantly affect our business, financial condition, results of operations.

**37. *The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI ("MCA"), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will

implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognised during that period and in the corresponding period in the comparative fiscal year/period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

We cannot guarantee the accuracy of facts and other statistics with respect to India, the Indian economy and the Indian clock and home decor sector contained in this Red Herring Prospectus.

Facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the Indian clock and home décor sector have been derived from various publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the same has not been prepared or independently verified by us, the BRLM or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

***38. There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialise.***

The following external risks may have a material adverse impact on our business and results of operations should any of them materialise:

- Political instability, a change in the Government or a change in the economic and deregulation policies or a change in taxation policies and regulations could adversely affect economic conditions in India in general and our business in particular;
- A slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy. We are also impacted by consumer spending levels and businesses such as ours would be particularly affected should Indian consumers in our target segment have reduced access to disposable income;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of the Equity Shares;
- Natural disasters in India may disrupt or adversely affect the Indian economy, the health of which our business depends on;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and
- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High



rates of inflation in India could increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which could have an adverse effect on our profitability and results of operations.

## PROMINENT NOTES

1. Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares for which the Bidder applied, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder. For contact details of the BRLM and the Compliance Officer, please refer to chapter titled '*General Information*' beginning on page 38 of the Red Herring Prospectus.
2. Our Net Worth as at September 30, 2012 and March 31, 2012 was ₹ 1,319.08 lacs and ₹ 1,182.24 lacs respectively, as per our restated audited financial statements, under Indian GAAP included in the Red Herring Prospectus. The Net Asset Value per Equity Share as at September 30, 2012 and March 31, 2012 was ₹ 60.59 and ₹ 54.31 respectively, as per our restated audited financial statements, under Indian GAAP included in the Red Herring Prospectus. For further details, please refer to chapter titled '*Financial Information*' beginning on page 136 of the Red Herring Prospectus.
3. Public Issue of [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 1,300 lacs. The Issue will constitute [●]% of the post Issue paid-up capital of our Company of which [●] Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker to the issue ("Market Maker reservation portion"). The Issue less the Market Maker reservation portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post issue paid up equity share capital of the company.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	Average cost of acquisition (in ₹)
Mr. Sameer Gujar	9.54
Mrs. Pratibha Gujar	9.54

5. Our Company has not changed its name in the past three years, except the change resulting from the conversion of our Company into a public limited company on November 01, 2012 and whereby, there was no amendment to the object clause of our Memorandum resulting from this change in name. For further details of our Company, please refer to the chapter '*History and Corporate Structure*' beginning on page 110, of the Red Herring Prospectus.
6. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company during the period of six months immediately preceding the date of the Red Herring Prospectus.

## SECTION III - INTRODUCTION

### SUMMARY OF OUR INDUSTRY

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. In particular we have relied on “Home Décor & Furnishing and Organised Wall Clock Industry” issued by CRISIL Research on December 31, 2012 (the “CRISIL Research Report”). The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

#### The Indian Economy

India is the 4th largest economy in the world after the European Union, United States and China (in terms of purchasing power parity) and was worth \$1.7 trillion as on March 31, 2012, according to the International Monetary Fund (IMF). With growing trade and investment integration with the rest of the world, the Indian economy is not isolated from global developments. (Source: CRISIL Research Report)

During the global financial crisis, growth of the Indian economy slipped to 6.7 per cent in 2008-09 from 9.3 per cent in the previous year. In the post crisis period (2009-10 and 2010-11), fiscal stimulus by the government kept the economy buoyant and grew at 8.4 per cent. The latest GDP numbers, however, paint a grim picture with GDP growth at 6.5 per cent for 2011-12 and 5.3 per cent during Q2 2012-13. In the post-crisis period, growth has slowed down primarily due to uncertain and weak global economic scenario and adverse domestic economic conditions – policy log-jam, persistent inflation and slowing investment and consumption demand. (Source: CRISIL Research Report)

#### Retail Industry

The overall market size of the retail industry (organised and unorganised) was estimated at Rs 23 trillion in 2011-12 having expanded at 14.5 per cent CAGR over the previous 5 years (2007-08 to 2011-12). Food & grocery and apparel are the two biggest segments in the retail market and contributed approximately 82 per cent of the total retail industry in 2011-12. (Source: CRISIL Research Report)

Over the next 5 years (2012-13 to 2016-17), the overall retail market is expected to expand at 15 per cent CAGR. (Source: CRISIL Research Report)

#### Organised retail formats

According to CRISIL Research report, a retail format refers to the overall appearance, layout, product mix and pricing strategy adopted by a retailer in a particular store. Indian retailers are experimenting with various retail formats for each type of market. Retail formats operate mainly under two propositions- value or lifestyle.

1. **Value retailing** – It mainly targets the masses comprising largely of middle-income households. Consumer spends in this segment revolve around necessities.
2. **Lifestyle retailing** - Lifestyle retailing pertains to brands and lifestyle products and focuses on the mid to higher income segments. It is generally done **through departmental** stores and branded outlets primarily retailing apparel and accessories.

Apart from the above-mentioned formats, organised retailers have also ventured into specialised formats such as –

**Cash and Carry (Wholesale Clubs):** Is a wholesale format operating on a trading space spread across 85,000-125,000 sq ft. The target audiences are retailers (mom and pop stores) and others like hotels, restaurants, caterers and institutions (HoReCa).

**Luxury retailing:** Refers to the provision of high-end luxury brands and services to the affluent. Major catchment areas are likely to be premium areas in major metros such as South Mumbai, South Delhi, Central Business District regions (CBD) of Chennai and Bengaluru.

**Airport retailing:** Is at a nascent stage in India. Earlier it was mainly restricted to alcohol, chocolates and perfumes. However, the expansion and modernization of airports across key cities has resulted in the development of quality retail space at these airports.

**Online retailing:** A traditional retailer sells products to his customers using the internet and also takes ownership of their delivery either through his own network or through a third-party.

(Source: CRISIL Research report)

## Market size & Outlook

The organised retail segment reported a faster growth of about 20 per cent CAGR between 2007-08 and 2011-12 and is expected to grow at a robust 20 per cent CAGR over the next 5 years.

(Source: CRISIL Research report)

## Furniture, home decor and furnishing

The popularity of readymade furniture has been increasingly gaining ground. The concept of good living is catching up with the Indian middle class who do not mind spending that extra amount for decorating their homes. Demand creation during the housing boom widened the market further, paving way for retailers who not only retailed furniture through their hypermarket formats but also set up exclusive shops. (Source: CRISIL Research Report)

## Market size

The market size of home decor and furnishings vertical stood at an estimated Rs 1,014 billion as of 2011-12 constituting approximately 4 per cent of the overall retail market in India. (Source: CRISIL Research Report)

## Organised wall clock industry

Over the years, with the availability of a wide variety of designs, wall clocks have also come to be used as a home decor item. Generally, premium segment wall clocks are used for decorative purposes. Wall clocks are also a popular gift item in India. (Source: CRISIL Research Report)

## Price segment

Wall clocks are available in a wide price range. On the basis of price, the industry can be broadly classified into three categories:

1. **Economy** segment wall clocks are priced below Rs 500.
2. **Mid** segment wall clocks range between Rs 500 to Rs 1,500.
3. **Premium** segment wall clocks are priced above Rs 1,500. Some wall clocks in this segment even cost a few lacs of rupees depending upon the material used and quality and antiqueness of work. However, the highest selling wall clocks in volume terms generally range between Rs 2,500 and Rs 5,000. (Source: CRISIL Research Report)

## Market size & outlook

The market size of overall wall clock industry is estimated at Rs 450-500 crores as of 2011. The organised wall clock segment is estimated at Rs 300-350 crores during the same period. Over the next 5 years (2011 to 2016), the organised wall clock segment is expected to clock a CAGR of 12-15 per cent. However, there is an inherent risk to future wall clock demand. Availability of multi-purpose (like photo album cum table clock) and portable clocks has induced a trend of shift in demand from wall clocks to table clocks. Moreover, with increase in working population and more women joining the

work force, people are spending lesser time at home thereby inducing a demand shift for wrist watches. (Source: CRISIL Research Report)

At present, over 90 per cent of retailing happens through the traditional route (shops) however, the online channel is fast gaining prominence and this presents a significant growth avenue for the industry due to the convenience it offers, reach and 24/7 availability. Hence, online retailing is expected to spearhead future wall clock demand in future. Source: CRISIL Research Report)

#### **Demand drivers of home decor & furnishings and wall clock segments**

1. Growing urban population - Key to future spending
2. Employed youth to influence consumer spending
3. Nuclearisation of families to drive consumption
4. Rising income levels to drive consumption
5. Desire for better standard of living to drive non-food consumption growth
6. Increasing retail penetration and impact of 51% FDI in retail
7. Shift from basic necessity and gift items to home décor accessory
8. Growing trend of ownership of multiple wall clocks
9. Increased awareness and brand consciousness

For further details on the industry in which we operate the business, please see the chapter titled “*Industry Overview*” beginning on page 83 of this Red Herring Prospectus.

## SUMMARY OF OUR BUSINESS

### Overview

We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under two brands: our flagship premium brand 'Opal' and budget brand 'Caliber'. Currently, we offer a large & diverse range of clocks at various price points across budget, mid-level and premium styles. As on December 2012, we are offering 109 styles of clocks under our 'OPAL' brand with MRP starting from ₹ 1,450 and going upto ₹ 27,500 with an average MRP of ~ ₹ 4,275 and a median MRP of ₹ 3,750. Additionally, as of December 2012, we have 31 styles of clocks under 'Caliber' brand with average MRP of ~ ₹ 370.

Our Company was incorporated as a private limited company in the year 2007 and is headquartered in Pune and currently has a manufacturing facility in the industrial area of Roorkee, Uttarakhand. We primarily operate in the market of premium clocks, with in-house expertise in designing complemented by quartz technology. Our facility for manufacturing of clocks is based at Roorkee, Uttarakhand measuring 8,133 sq. ft where all manufacturing and other peripheral activities are carried out. Apart from our Roorkee Unit, we have our warehouses located at Pune and Navi Mumbai.

Our brand 'Opal' has a wide presence with the products marketed by a network of 9 distributors, 242 dealers and 91 organised retailers which includes popular brands such as Shoppers Stop, Home Town, etc. We have also ventured into online sales by way of popular online shopping portals and currently have tie ups with 10 online portals and also have our own shopping portal at [www.opalclocks.com](http://www.opalclocks.com). We have recently started exporting both our brands, 'Opal' and 'Caliber', to the United States.

In FY 2012, our total income was ₹ 1,730.63 lacs and earned a net profit, as restated, of ₹ 288.72 lacs.

Particulars	Six months ended September 30, 2012	FY 2012	FY 2011	FY 2010	CAGR* (in %)
Revenue from operations	957.32	1,721.53	1,689.51	1,078.43	21.09%
Net profit, as restated	136.84	288.72	224.53	144.22	23.80%
PBDIT	219.48	475.52	344.36	242.53	21.87%

\*CAGR means calculating a year-over-year growth rate over a specified period of time and it has been computed by annualising the financial information for the six months ended September 30, 2012



## SUMMARY OF OUR FINANCIAL INFORMATION

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED  
Annexure I

(₹ In lacs)

Particulars	Annexure No.	As at 30 Sept	As at 31 March				
		2012	2012	2011	2010	2009	2008
<b>EQUITY AND LIABILITIES</b>							
<b>Shareholders' funds</b>							
(a) Share capital	V	217.70	217.70	54.44	10.00	10.00	1.00
(b) Reserves and surplus	VI	1,101.38	964.54	560.28	335.74	191.52	42.16
<b>Share application money pending allotment</b>		-	-	98.80	121.47	121.47	220.00
<b>Non-current liabilities</b>							
(a) Long-term borrowings	VII	30.21	34.23	74.55	-	-	-
(b) Deferred tax liabilities	VIII	10.93	10.27	7.55	6.18	3.62	0.79
<b>Current liabilities</b>							
(a) Short-term borrowings	IX	795.47	894.52	763.65	657.33	452.74	214.32
(b) Trade payables	X	128.69	104.33	173.70	183.50	71.34	66.72
(c) Other current liabilities	XI	89.76	122.72	93.37	34.13	23.49	17.28
(d) Short-term provisions	XII	69.29	59.25	46.31	43.00	30.45	19.15
<b>TOTAL</b>		<b>2,443.43</b>	<b>2,407.56</b>	<b>1,872.65</b>	<b>1,391.35</b>	<b>904.63</b>	<b>581.42</b>
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Fixed assets	XIIIA	167.74	165.62	109.79	76.19	64.21	30.66
(b) Capital Work in Progress	XIIIB	795.92	711.90	555.65	459.87	416.78	216.55
(c) Long-term loans and advances	XIV	127.83	101.21	44.33	-	-	-
<b>Current assets</b>							
(a) Current investments	XV	0.16	0.64	-	-	-	-
(b) Inventories	XVI	532.37	481.62	401.02	261.17	211.05	159.70
(c) Trade receivables	XVII	667.43	758.10	683.57	511.28	172.41	115.93
(d) Cash and cash equivalents	XVIII	58.35	98.38	44.44	23.28	9.49	2.23
(e) Short-term loans and advances	XIX	93.63	90.08	33.86	59.57	30.70	11.35
<b>TOTAL</b>		<b>2,443.43</b>	<b>2,407.56</b>	<b>1,872.65</b>	<b>1,391.35</b>	<b>904.63</b>	<b>581.42</b>

**SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED**  
**Annexure II**

(₹ In lacs)

Particulars	Annexure No.	For the period ended 30 Sept	For the year ended 31 March				
		2012	2012	2011	2010	2009	2008
Revenue from operations (gross)	XX	957.32	1,721.53	1,689.51	1,078.43	669.24	440.04
Less: Excise duty		-	-	-	-	73.66	56.19
Revenue from operations (net)		957.32	1,721.53	1,689.51	1,078.43	595.58	383.85
Other income	XXI	4.67	9.09	2.11	1.07	5.28	7.50
<b>Total revenue</b>		<b>961.99</b>	<b>1,730.63</b>	<b>1,691.62</b>	<b>1,079.50</b>	<b>600.85</b>	<b>391.35</b>
<b>Expenses</b>							
Cost of materials consumed	XXII	617.87	889.06	820.31	381.67	109.23	241.17
Purchases of traded goods	XXIII	-	33.60	62.50	79.13	31.88	51.09
Changes in inventories of finished goods and work-in-progress	XXIV	(104.76)	(91.85)	(46.09)	3.24	64.80	(149.65)
Employee benefits expense	XXV	88.31	169.49	126.12	82.85	71.72	63.31
Finance costs	XXVI	70.04	169.46	106.67	48.23	19.03	25.63
Depreciation and amortisation expense	XXVII	10.82	12.85	10.90	5.48	2.55	1.41
Selling, Administration & Other Expenses	XXVIII	141.09	254.81	384.43	290.08	209.02	96.28
<b>Total expenses</b>		<b>823.37</b>	<b>1,437.41</b>	<b>1,464.84</b>	<b>890.67</b>	<b>508.24</b>	<b>329.24</b>
<b>Profit before tax</b>		<b>138.62</b>	<b>293.21</b>	<b>226.78</b>	<b>188.83</b>	<b>92.62</b>	<b>62.11</b>
<b>Provision for tax</b>							
Current tax		27.73	58.67	45.20	42.05	28.94	18.40
Less: Minimum Alternate Tax credit entitlement		(26.62)	(56.89)	(44.33)	-	-	-
Deferred tax liability		0.66	2.72	1.37	2.56	2.83	0.79
Fringe benefit tax		-	-	-	-	1.50	0.75
<b>Net profit as restated</b>		<b>136.84</b>	<b>288.72</b>	<b>224.53</b>	<b>144.22</b>	<b>59.34</b>	<b>42.16</b>

**SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED**  
**Annexure III**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit / (Loss) before tax, as restated	138.62	293.21	226.78	188.83	92.62	62.11
Adjustments for:						
Depreciation and amortisation	10.82	12.85	10.90	5.48	2.55	1.41
Finance costs	70.04	169.46	106.67	48.23	19.03	25.63
Interest income on fixed deposit	3.45	5.47	2.11	1.07	5.28	7.50
Dividend income	0.01	0.00	-	-	-	-
<b>Operating profit / (loss) before working capital changes</b>	<b>216.02</b>	<b>470.04</b>	<b>342.25</b>	<b>241.46</b>	<b>108.92</b>	<b>81.65</b>
<b>Changes in working capital:</b>						
Adjustments for (increase) / decrease in operating assets:						
Inventories	(50.75)	(80.60)	(139.85)	(50.13)	(51.35)	(159.70)
Trade receivables	90.67	(74.53)	(172.28)	(338.88)	(56.48)	(115.93)
Short-term loans and advances	(3.55)	(56.22)	25.71	(28.87)	(19.35)	(11.35)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payables	24.36	(69.37)	(9.80)	112.16	4.62	66.72
Other current liabilities	(32.96)	29.35	59.24	10.64	6.21	17.28
Cash generated from/(used in) operating activities	243.79	218.67	105.27	(53.61)	(7.43)	(121.32)
Direct taxes paid	17.69	45.73	41.89	29.50	19.15	-
<b>Net cash generated from / (used in) operating activities</b>	<b>226.10</b>	<b>172.94</b>	<b>63.38</b>	<b>(83.11)</b>	<b>(26.58)</b>	<b>(121.32)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Capital expenditure on fixed assets, including capital advances	(96.96)	(224.92)	(140.30)	(60.54)	(191.32)	(293.63)
Current investments not considered as Cash and cash equivalents	0.48	(0.64)	-	-	-	-
Interest received	3.45	5.47	2.11	1.07	5.28	7.50
Dividend received	0.01	0.00	-	-	-	-
<b>Net cash flow from / (used in) investing activities</b>	<b>(93.02)</b>	<b>(220.09)</b>	<b>(138.19)</b>	<b>(59.47)</b>	<b>(186.05)</b>	<b>(286.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of equity shares	-	163.26	44.44	-	9.00	1.00
Security Premium Received	-	115.54	-	-	90.02	-
Share application money, net	-	(98.80)	(22.67)	-	(98.53)	220.00
Repayment of long-term borrowings	(4.02)	(40.33)	74.55	-	-	-
Net proceeds from working capital borrowings	1.13	210.70	151.06	194.16	238.42	-
Net Proceeds from other short-term borrowings	(100.18)	(79.82)	(44.75)	10.43	-	214.32
Finance cost	(70.04)	(169.46)	(106.67)	(48.23)	(19.03)	(25.63)
<b>Net cash generated/ (used in) from financing activities</b>	<b>(173.11)</b>	<b>101.10</b>	<b>95.97</b>	<b>156.36</b>	<b>219.89</b>	<b>409.69</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(40.03)</b>	<b>53.95</b>	<b>21.16</b>	<b>13.78</b>	<b>7.26</b>	<b>2.23</b>
<b>Opening cash and cash equivalents</b>	<b>98.38</b>	<b>44.44</b>	<b>23.28</b>	<b>9.49</b>	<b>2.23</b>	<b>-</b>
<b>Closing cash and cash equivalents</b>	<b>58.35</b>	<b>98.38</b>	<b>44.44</b>	<b>23.28</b>	<b>9.49</b>	<b>2.23</b>
<b>*Reconciliation of Cash and cash equivalents</b>						
Cash on hand	2.36	0.67	0.36	0.34	1.34	0.30
Balances with banks						
Current account	6.79	2.51	2.32	2.94	8.16	1.93
Fixed deposit account	49.20	95.20	41.76	20.00	-	-

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
	58.35	98.38	44.44	23.28	9.49	2.23

## THE ISSUE

The table below gives an overview of the Issue structure in brief:

<b>Equity Shares offered:</b>	
<b>Issue aggregating up to ₹ 1,300 lacs</b>	[●] Equity Shares
<b>Issue reserved for Market Maker</b>	[●] Equity Shares
<b>Net Issue to the public</b>	[●] Equity Shares
<i>Of which</i> <sup>1</sup>	
<b>A. Qualified Institutional Buyers (QIB Portion)</b>	QIB Portion of not more than [●] Equity Shares <sup>2</sup>
<i>Of which</i>	
Mutual Fund	Mutual Fund Portion of not more than [●] Equity Shares constituting 5% of the QIB Portion available for allocation to proportionately to Mutual Funds only <sup>3</sup>
Net QIB Portion	[●] Equity Shares
<b>B. Non-Institutional Bidders (Non-Institutional Portion)</b>	[●] Equity Shares constituting not less than 15% of the Issue.
<b>C. Retail Individual Bidders (Retail Portion)</b>	[●] Equity Shares constituting not less than 35% of the Issue
<b>Equity Shares outstanding prior to the Issue</b>	2,358,818 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares
<b>Use of Issue proceeds</b>	Please refer to the chapter titled “Objects of the Issue” beginning on page 60 of the Red Herring Prospectus

<sup>1</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under-subscription, if any, in any category would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM, and NSE and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

<sup>2</sup> Pursuant to the Pre-IPO Placement, 181,818 Equity Shares issued to SVCL is proportionately reduced from the size of the Issue, and the Net Issue being at least 25% of the fully diluted post-Issue paid up capital of our Company.

<sup>3</sup> 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, out of the QIB Portion. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the balance QIB Portion.

For further details, please refer to chapter titled ‘Issue Structure’ beginning on page 205 of the Red Herring Prospectus.

## GENERAL INFORMATION

Our Company was incorporated as Opal Luxury Time Products Private Limited on February 10, 2007 under the Companies Act, 1956 *vide* Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune. Further, our Company was converted into a public limited company *vide* Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated November 01, 2012 issued by the Registrar of Companies, Maharashtra, Pune and the name of our Company was changed to Opal Luxury Time Products Limited. The Corporate Identity Number of our Company is U33309PN2007PLC129597.

### Registered Office of our Company

#### ***Opal Luxury Time Products Limited***

Shree Ganesh,  
Plot No. 31,  
Shivaji Housing Society,  
Behind ICC Tower,  
Senapati Bapat Road,  
Pune – 411 016,  
Maharashtra.

**Tel:** +91 – 20 – 2563 1919

**Fax:** +91 – 20 – 2563 1919; Extn: 111

**Website:** www.opalclocks.com

**E-mail:** contact@opalclocks.com

For details on change in the address of Registered Office of our Company, please refer to the chapter titled ‘History and Corporate Structure’ beginning on page 110 of the Red Herring Prospectus.

### Registrar of Companies

Registrar of Companies, Maharashtra  
PMT Building,  
Pune Stock Exchange,  
3<sup>rd</sup> Floor, Deccan Gymkhana,  
Pune – 411 004,  
Maharashtra.

## OUR BOARD OF DIRECTORS

The Board of Directors as on the date of filing the Red Herring Prospectus is as follows:

Name, Designation and Occupation	Age (in years)	DIN	Address
<b>Mr. Sameer Gujar</b> Managing Director	26	02291364	Delicia A-8, Utopia, Wanawari, Pune – 411 040, Maharashtra.
<b>Mrs. Pratibha Gujar</b> Non-executive and Non-independent	55	02405428	Delicia A-8, Utopia, Wanawari, Pune – 411 040, Maharashtra.
<b>Mr. Ramprasad Joshi</b> Non-executive and Independent	43	02682144	10, Mayur Society, Sadar Bazar, Satara – 415 002, Maharashtra



Name, Designation and Occupation	Age (in years)	DIN	Address
<b>Mr. Odayammadath Korothe Balraj</b> Nominee Director Additional Director Non-executive and Non-independent	56	01873868	C-33, Sector 26, Noida - 201 301, Uttar Pradesh
<b>Mr. Pradeep Tupe</b> Additional Director Non-executive and Independent	54	02968390	Flat number 604, Kumar Khsitij, Sr. no. 87 1A/1/ 1, Sahkar Nagar / D Building, Pune - 411 009, Maharashtra
<b>Mr. Ramachandran Nair</b> Additional Director Non-executive and Independent	60	06445871	Flat number 15, Bldg no. A/6, S. no. 160/1, Kumar Padmalaya, D. P. Road, Aundh, Pune - 411 007, Maharashtra

For detailed profile of our Directors, please refer to the chapters titled 'Our Management' and 'Our Promoters and their Background' beginning on pages 116 and 131 respectively of the Red Herring Prospectus.

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. Nikhil Deshpande**

*Opal Luxury Time Products Limited*

Shree Ganesh,  
Plot No. 31,  
Shivaji Housing Society,  
Behind ICC Tower,  
Senapati Bapat Road,  
Pune - 411 016,  
Maharashtra.

**Tel:** +91 - 20 - 2563 1919; Extn: 109

**Fax:** +91 - 20 - 2563 1919; Extn: 111

**Email:** investor.grievance@opalclocks.com

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, i.e., IDBI Capital Market Services Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, Karvy Computershare Private Limited, with a copy to the relevant SCSB 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 or the collection centre of the relevant SCSB where the ASBA Form was submitted by the ASBA Bidder.

## ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
<b>IDBI Capital Market Services Limited</b> 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021, Maharashtra.  <b>Tel.:</b> +91 – 22 – 4322 1212 <b>Fax:</b> +91 – 22 – 2285 0785 <b>Website:</b> www.idbicapital.com <b>Email:</b> opal.ipo@idbicapital.com <b>Investor Grievance ID:</b> redressal@idbicapital.com <b>Contact person:</b> Mr. Nalin Jain / Mr. Rishi Tiwari <b>SEBI Registration No.:</b> INM000010866	<b>Karvy Computershare Private Limited</b> 46, Avenue 1, Street No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh.  <b>Tel.:</b> +91 – 40 – 4465 5000 <b>Fax:</b> +91 – 40 – 2343 1551 <b>Email:</b> opal.ipo@karvy.com <b>Investor Grievance ID:</b> opal.ipo@karvy.com <b>Website:</b> www.karisma.karvy.com <b>Contact person:</b> Mr. M. Murli Krishna <b>SEBI Registration No.:</b> INR000000221

LEGAL ADVISORS TO THE ISSUE	STATUTORY AUDITORS TO OUR COMPANY
<b>M/s. Crawford Bayley &amp; Co.,</b> Advocates & Solicitors State Bank Buildings, 4 <sup>th</sup> Floor, N.G.N. Vaidya Marg, Fort, Mumbai – 400 001, Maharashtra. <b>Tel:</b> +91 – 22 – 2266 8000 <b>Fax:</b> +91 – 22 – 2266 3978 <b>Email:</b> sanjay.asher@crawfordbayley.com	<b>M/s. Bharat J. Rughani &amp; Co., Chartered Accountants</b> B-103, Shilpam Apartments, Chincholi Bunder Road, Malad (W), Mumbai – 400 064, Maharashtra. <b>Tel:</b> +91 – 22 – 2874 9401 <b>Fax:</b> +91 – 22 – 2874 9401 <b>Email:</b> bharat@bjrca.com <b>Contact Person:</b> Mr. Bharat Rughani <b>Membership Number:</b> 040543 <b>Firm Registration No.:</b> 101220W

BANKERS TO OUR COMPANY	
<b>Central Bank of India</b> 317, M. G. Road, Pune – 411 001, Maharashtra.  <b>Tel.:</b> +91 – 20 – 2613 1611-7 <b>Fax:</b> +91 – 20 – 2613 1049 <b>Email:</b> agmpune0658@centralbank.co.in <b>Website:</b> <a href="http://www.centralbankofindia.co.in">www.centralbankofindia.co.in</a> <b>Contact Person:</b> Mr. P. A. Dongare	<b>ICICI Bank Limited</b> 796-B, Bhandarkar Institute Road, Deccan Gymkhana, Pune – 411 004, Maharashtra.  <b>Tel.:</b> +91 – 20 – 66280517 <b>Fax:</b> +91 – 20 – 66280517 <b>Email:</b> iruvanti.sayisoumya@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Ms. Iruvanti Rao

## Market Making and Market Makers

As per Regulation 106V of the SEBI ICDR Regulations, 2009, IDBI Capital Market Services Limited, as the BRLM, will ensure compulsory Market Making in the manner specified by SEBI for a minimum period of three years from the date of listing of the Equity Shares of our Company on the SME Platform of NSE.

Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of the issue size)
Upto ₹ 20 crore	25%	24%
₹ 20 crore to ₹ 50 crore	20%	19%
₹ 50 crore to ₹ 80 crore	15%	14%
Above ₹ 80 crore	12%	11%

IDBI Capital Market Services Limited will act as the Market Maker.

#### **Bankers to the Issue / Escrow Collection Banks / Refund Banker**

##### **Axis Bank Limited**

Ground Floor,  
Sterling Plaza,  
1262-B, J M Road,  
Deccan Gymkhana,  
Pune – 411 004,  
Maharashtra.

**Tel.:** +91 – 20 – 6629 5102

**Fax:** +91 – 20 – 6629 5150

**Contact person:** Ms. Aditi Shrivastava

**Email:** iponfo.Mum@axisbank.com / pune.operationshead@axisbank.com

**Website:** www.axisbank.com

**SEBI Registration No.:** INBI00000017

#### **Syndicate Member**

IDBI Capital Market Services Limited shall be the Syndicate Member.

#### **Brokers to this Issue**

All the members of NSE would be eligible to act as brokers to the Issue in consultation with the BRLM.

#### **STATEMENT OF RESPONSIBILITIES OF THE BRLM**

Since IDBI Capital Market Services Limited is the sole Book Running Lead Manager to the Issue, all the responsibilities of the Issue will be managed by them.

#### **CREDIT RATING**

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

#### **IPO GRADING**

The Issue has been graded by CRISIL Limited, and has been assigned the “CRISIL SME Fundamental Grade 4” indicating Superior fundamentals, through its letter dated February 22, 2013. The IPO grading is assigned on a five point scale from 1 to 5 wherein “CRISIL SME Fundamental Grade 5” indicates Excellent fundamentals and “CRISIL SME Fundamental Grade 1” indicates Poor fundamentals. Special attention of the investors is drawn to the disclaimer appearing under the paragraph titled ‘Disclaimer clause of the IPO Grading Agency’ under the chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 192 of the Red Herring Prospectus.

A copy of the report provided by CRISIL Limited, furnishing the rationale for their grading is annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days during the Bid/Issue Period.

## EXPERT OPINION

Except the report of CRISIL Limited in respect of the IPO Grading of this Issue (a copy of which is annexed to the Red Herring Prospectus), furnishing the grading rationale for their grading which will be provided to the NSE and the reports of the Statutory Auditors to our Company on the restated financial statements, statement of tax benefits and in respect information contained in the chapters titled '*Other Regulatory and Statutory Disclosures*', '*Financial Information*' and '*Statement of Tax Benefits*' beginning on page 192, 136 and 74, respectively, of the Red Herring Prospectus, our Company has not obtained any expert opinions.

## TRUSTEES

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

## MONITORING AGENCY

A monitoring agency is not required to be appointed in terms of sub-regulation (1) of Regulation 16 of the SEBI ICDR Regulations. The Board of Directors of our Company will monitor the use of the proceeds of this Issue.

## BOOK BUILDING PROCESS

This Issue is being made in compliance with the provisions of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process.

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for at least 25% of the post-Issue capital of our Company. The Issue is being made through the Book Building Process wherein [●] Equity Shares shall be reserved for Market Maker.

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 face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. The Issue Price is finalised after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLM;
- the Syndicate Members who are intermediaries registered with the SEBI or registered as brokers with the BSE and eligible to act as underwriters;
- the Registrar to the Issue;
- the Escrow Collection Banks; and
- the SCSBs

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. 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 QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, not less than 15% of the Net Issue would be available for allocation to Non-Institutional Bidders on a proportionate basis and 35% of the Net Issue available for allocation to Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

In accordance with Regulation 106Q of the SEBI ICDR Regulations, the minimum application value shall not be less than Rupees One lac per application. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount shall not be less than ₹ 1,00,000 and in multiples of 1,000 Equity Shares thereafter so as to ensure that the Bid Amount payable by them does not exceed ₹ 200,000.

In accordance with Regulation 106R of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall be not less than 50. Our Company will comply with the SEBI ICDR Regulations for the Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

**Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all non-retail Investors i.e. QIBs and Non Institutional Investors are mandatorily required to utilise the ASBA facility to submit their Bids and participate in this Issue.** However, Retail Individual Bidders may Bid through the ASBA process at their discretion. **For further details please refer to the chapter titled 'Issue Procedure' beginning on page 212 of the Red Herring Prospectus.**

**Attention of all QIBs is specifically drawn to the fact that all QIBs are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and the Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw nor lower the size of their bids at any stage. However, the Retail Individual Bidders may either withdraw or revise their bids until finalisation of allotment.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where **Allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.** Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, we have appointed IDBI Capital Market Services 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 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.**

**Investors are advised to make their own judgment about investment through the ASBA process prior to submitting an ASBA Bid cum Application Form to a SCSB.**

**Illustration of Book Building and Price Discovery Process** *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue).*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 200 to ₹ 240 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding 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 from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	240	500	16.67%
1,000	230	1,500	50.00%
1,500	220	3,000	100.00%
2,000	210	5,000	166.67%
2,500	200	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 220 in the above example. The issuer, in consultation with the BRLM will finalise the Issue Price at or below such cut-off price, i.e., at or below ₹ 220. All Bids at or above the Issue Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

### Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see '*Who Can Bid?*' on page 216 of the Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form and the ASBA Bid cum Application Form, as the case may be;
3. Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form or the ASBA Bid cum Application Form (see '*Other Instructions*' on page 241 of the Red Herring Prospectus);
4. Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form or ASBA Bid cum Application Form
5. Ensure the correctness of your demographic details (as defined in the '*Bidder's Depository Account and Bank Account Details*' on page 237 of the Red Herring Prospectus) given in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, with the details recorded with your Depository Participant;
6. Bids by QIBs shall be through the ASBA process and the Bids shall be submitted to the Designated Branch of the SCSBs; and
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.
8. Bidders may also submit their Bids to the Broker Centre at locations covered under the nationwide network of the Stock Exchange, an updated list of which is available on the website of the Stock Exchange. Bidders can view the status of their Bids on the websites of Stock Exchanges.

### Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time, after the Bid/Issue Opening Date, but before 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 / deciding not to proceed with the Issue, providing reasons for not proceeding with the Issue. Our Company shall also promptly inform the same to the NSE. Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If the Issue is withdrawn after the Bid/Issue Closing date, our Company shall be required to file a fresh offer document in compliance with applicable laws. The BRLM, through the



Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the closure of bidding, our Company shall be required to file a fresh draft offer document with the Stock Exchange.

In the event of withdrawal of the Issue any time after the Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of withdrawal, then our Company, on and from such expiry of eight days, be liable to repay the money, with such interest as prescribed under Section 73 of the Companies Act

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of NSE, which our Company shall apply for after Allotment and (ii) the final ROC approval of the Prospectus after it is filed with the ROC.

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

<b>BID OPENS ON</b>	March 25, 2013
<b>BID CLOSSES ON</b>	March 28, 2013

#### **Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI**

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## UNDERWRITING AGREEMENT

Our Company has entered into an Underwriting Agreement dated March 14, 2013 with the Underwriter, for the Equity Shares proposed to be offered pursuant to the Issue. The Underwriting Agreement has been approved by our Board of Directors.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions, as specified therein. The underwriting agreement lists out the role and obligations of the Underwriter. The Issue is 100% underwritten.

The details of the Underwriter and the extent of their underwriting commitment is detailed below:

Name, address, telephone number, fax and email of the Underwriter	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in lacs)
<b>IDBI Capital Market Services Limited</b> 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021, Maharashtra. Tel.: +91 - 22 - 4322 1212 Fax: +91 - 22 - 2285 0785 Email: opal.ipo@idbicapital.com	[●]	1,300
<b>Total</b>	[●]	1,300

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the Underwriter are sufficient to enable them to discharge their underwriting obligations in full. The Underwriter is registered with SEBI under Section 12 (1) of the SEBI Act.

In the event of any default in payment by the investors with respect to Equity Shares allocated to them, the Underwriter, in addition to their underwriting obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount by such investors.

## MARKET MAKING ARRANGEMENT

IDBI Capital Market Services Limited will act as the Market Maker and has entered into an agreement dated March 14, 2013 with our Company. The Market Maker has agreed to receive or deliver the Equity Shares in the market making process for a period of three years from the date of listing of our Equity Shares on the SME Platform of NSE in the manner specified by SEBI and in accordance with the SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by NSE. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by NSE. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be 1,000 shares. However, the investors with holdings less than 1,000 shares shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
4. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. The Market Maker shall have the right to terminate its services by giving one months' notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of services of the IDBI as the Market Maker prior to the completion of the compulsory Market Making period, it shall responsible and ensure to arrange for another Market Maker in replacement during the term of the notice period being served by the it but prior to the date of releasing of its Market Making duties in order to ensure compliance with the requirements of Regulation 106V and other applicable Regulations, obligations and conditions of the SEBI ICDR Regulations, 2009 and in manner specified by SEBI. Further our Company and the BRLM reserve the right to appoint other Market Maker(s) either as a replacement of IDBI as the existing Market Maker or as an additional Market Maker subject to the total number of Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particulars point of time.

## CAPITAL STRUCTURE

The capital structure of our Company as on the date of filing of the Red Herring Prospectus is as set forth below:

	Equity Share Capital as on the date of filing of the Red Herring Prospectus	Amount in ₹	
		Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	50,00,000 Equity Shares of ₹ 10 each	5,00,00,000	
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Capital before the Issue*</b>		
	2,358,818 Equity Shares of ₹ 10 each	23,588,180	
<b>C.</b>	<b>The Issue**</b>		
	Net Issue to public		
	[●] Equity Shares of face value of ₹ 10 each fully paid-up	[●]	
	of which		
	QIB Portion of not more than [●] Equity Shares#		
	Non Institutional Portion of not less than [●] Equity Shares		
	Retail Portion of not less than [●] Equity Shares		
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Capital after the Issue</b>		
	[●] Equity Shares of ₹ 10 each	[●]	[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		38,737,800
	After the Issue##		[●]

\* As on the date of the Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

\*\* The Issue, in terms of the Red Herring Prospectus, has been authorised by a resolution passed by the Board of Directors of our Company at its meeting held on October 15, 2012 and by the a resolution passed by the shareholders of our Company pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting held on October 25, 2012.

#Pursuant to the Pre-IPO Placement, 181,818 Equity Shares issued to SVCL is proportionately reduced from the size of the Issue, and the Net Issue being at least 25% of the fully diluted post-Issue paid up capital of our Company.

## To be finalised upon determination of the Issue Price.

For further details, please refer to the chapter titled "Issue Procedure" beginning on page 212 of the Red Herring Prospectus.

Details of changes in authorised share capital since incorporation:

Particulars of change		Date of Extra-ordinary General Meeting
From	To	
₹ 1,000,000 consisting of 100,000 Equity shares of ₹ 10 each		On incorporation
₹ 1,000,000 consisting of 100,000 Equity shares of ₹ 10 each	₹ 5,500,000 consisting of 550,000 Equity shares of ₹ 10 each	November 26, 2010
₹ 5,500,000 consisting of 550,000 Equity shares of ₹ 10 each	₹ 25,000,000 consisting of 2,500,000 Equity shares of ₹ 10 each	November 05, 2011
₹ 25,000,000 consisting of 2,500,000 Equity shares of ₹ 10 each	₹ 50,000,000 consisting of 5,000,000 Equity shares of ₹ 10 each	October 25, 2012

### Notes to the Capital Structure

## 1. Equity Share Capital history of our Company

The following is the history of the allotment of Equity Shares of our Company:

Date of allotment	Number of Equity Shares allotted	Cumulative number of Equity Shares	Premium per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative paid-up Equity Share Capital (₹)	Cumulative security premium (₹)
February 10, 2007	10,000	10,000	-	10	Cash	Subscribers to Memorandum <sup>1</sup>	1,00,000	NIL
March 02, 2009	5,100	15,100	1,922	1,932	Cash	Preferential allotment <sup>2</sup>	1,51,000	9,802,200
March 09, 2009	4,900	20,000	-	10	Cash	Preferential allotment <sup>3</sup>	2,00,000	9,802,200
March 23, 2009	80,000	1,00,000	-	-	Capitalisation of Reserves & Surplus (securities premium)	Bonus Allotment (4:1) <sup>4</sup>	1,00,000	9,002,200
November 30, 2010	444,400	544,400	-	10	Cash	Preferential allotment <sup>5</sup>	5,444,000	9,002,200
November 05, 2011	832,570	1,376,970	13.88	23.88	Cash	Preferential allotment <sup>6</sup>	13,769,700	20,556,000
November 05, 2011	800,030	2,177,000	-	10	Cash	Preferential allotment <sup>7</sup>	21,770,000	20,556,000
March 13, 2013	181,818	2,358,818	100.00	110.00	Cash	Pre-IPO Placement <sup>8</sup>	23,588,180	38,737,800

<sup>1</sup> Initial allotment of 10,000 Equity Shares by way of subscription to the Memorandum of Association of our Company: 5,500 Equity Shares to Mr. Subhash Gujar, 1,000 Equity Shares each to Mr. Nagesh Mahindrakar, Mrs. Pratibha Gujar, Mr. Sameer Gujar & Mrs. Sujata Mahindrakar and 500 Equity Shares to Ms. Deepti Gujar.

<sup>2</sup> Preferential allotment of 5,100 Equity Shares: 3,060 Equity Shares to Mr. Chandu Chavan, 714 Equity Shares to Mr. Ravindra Katre, 612 Equity Shares to Mr. Sanjay Waghulade, 255 Equity Shares each to Mr. Parag Mulye & Mr. Sanjay Bhade and 204 Equity Shares to Mr. Shivaji Katke.

<sup>3</sup> Preferential allotment of 4,900 Equity Shares: 2,500 Equity Shares to Mr. Sameer Gujar and 2,400 Equity Shares to Mrs. Pratibha Gujar.

<sup>4</sup> Pursuant to the Extra-ordinary General Meeting held on March 23, 2009, 80,000 fully paid-up Equity Shares of ₹10 each were allotted as bonus shares to the existing equity shareholders as on March 23, 2009, in the ratio of 4 (four) Equity Share for every 1 (one) Equity Shares held by them, by utilising ₹. 800,000 out of the reserves & surplus (securities premium account) of our Company.

<sup>5</sup> Preferential allotment of 444,400 Equity Shares: 136,020 Equity Shares to Mr. Chandu Chavan, 100,000 Equity Shares each to Mr. Pravinkumar Jain & Mr. Vivek Reddy, 31,738 Equity Shares to Mr. Ravindra Katre, 27,204 Equity Shares to Mr. Sanjay Waghulade, 17,700 Equity Shares to Mr. Hitesh Kocheta, 11,335 Equity Shares each to Mr. Sanjay Bhade & Mr. Parag Mulye and 9,068 Equity Shares to Mr. Shivaji Katke.

<sup>6</sup> Preferential allotment of 832,570 Equity Shares to Innoventive Venture Limited.

<sup>7</sup> Preferential allotment of 800,030 Equity Shares: 408,179 Equity Shares to Mr. Sameer Gujar and 391,851 Equity Shares to Mrs. Pratibha Gujar.

<sup>8</sup> Pre-IPO Placement of 181,818 Equity Shares: 181,818 Equity Shares to SVCL.

## 2. Issue of Equity Shares for consideration other than cash

Save and except the issue of bonus shares on March 23, 2009, our Company has not issued any Equity Shares for consideration other than cash or issued any Equity Shares out of revaluation reserves, as on the date of the Red Herring Prospectus.

3. No shares have been allotted by our Company in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.

## 4. Issue of Equity Shares at a price lower than Issue Price in the preceding one year

We have not issued any Equity Shares at price which may be lower than the Issue Price during the preceding one year, except as below:

Sr. No.	Name of the Alottee	Number of Equity Shares allotted	Issue Price per Equity Share	Nature of allotment
1.	SVCL	181,818	110.00	Pre-IPO Placement

5. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue. In the event, any 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. Except for the Issue, Our Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
7. **Equity Shareholding of the Promoters & Promoter Group and details of minimum Promoters' Contribution and Lock-in**

### (a) Details of the build-up of the shareholding of the Promoters of our Company is as under:

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

Date of Allotment/ Transfer and made fully paid	Nature of Allotment	Number of Equity Shares	Face value	Cost of acquisition	Consideration	% of pre-issue capital	% of post-issue capital
<b>Mr. Sameer Gujar (A)</b>							
February 10, 2007	Subscribers to Memorandum	1,000	10	10	Cash		
December 22, 2007	Share Transfer <sup>1</sup>	1,500	10	10	Cash		
March 09,	Preferen	2,500	10	10	Cash		



Date of Allotment/ Transfer and made fully paid	Nature of Allotment	Number of Equity Shares	Face value	Cost of acquisition	Consideration	% of pre-issue capital	% of post-issue capital
2009	tial Allotment						
March 23, 2009	Bonus Allotment	20,000	10	NIL	Capitalisation of Reserves & Surplus (securities premium)		
November 05, 2011	Preferential Allotment	408,179	10	10	Cash		
October 15, 2012	Share Transfer	(100)	10	-	Cash		
<b>Total (A)</b>		<b>433,079</b>				<b>18.36</b>	<b>[•]</b>
<b>Mrs. Pratibha Gujar (B)</b>							
February 10, 2007	Subscribers to Memorandum	1,000	10	10	Cash		
December 22, 2007	Share Transfer <sup>2</sup>	1,400	10	10	Cash		
March 09, 2009	Preferential Allotment	2,400	10	10	Cash		
March 23, 2009	Bonus Allotment	19,200	10	NIL	Capitalisation of Reserves & Surplus (securities premium)		
November 05, 2011	Preferential Allotment	391,851	10	10	Cash		
<b>Total (B)</b>		<b>415,851</b>				<b>17.63</b>	<b>[•]</b>
<b>Grand Total (A)+(B)</b>		<b>848,930</b>				<b>35.99</b>	<b>[•]</b>

<sup>1</sup> 1,500 Equity Shares were transferred from Mr. Subhash Gujar

<sup>2</sup> 1,400 Equity Shares were transferred from Mr. Subhash Gujar

**Note:** The shares held by the Promoters of our Company as mentioned above are fully paid-up and have not been pledged except as below:

Sr. no.	Promoter	Number of Equity Shares pledged	Pledgee
1.	Mr. Sameer Gujar	2,500	Mr. Noordin Karmali Mulani
2.	Mrs. Pratibha Gujar	2,400	Mr. Noordin Karmali Mulani

The process for completing the pledge of the aforesaid Equity Shares post dematerialisation is under process as on the date of Red Herring Prospectus.

**(b) Details of Equity Shares held by Promoter and Promoter Group as on the date of filing the Red Herring Prospectus:**

Particulars	Number of Equity Shares - Pre Issue	Percentage of pre-Issue Equity Share Capital	Number of Equity Shares - Post Issue	Percentage of Post-Issue Equity Share Capital
<b>(A) Promoters</b>				
Mr. Sameer Gujar	433,079*	18.36	[●]	[●]
Mrs. Pratibha Gujar	415,851**	17.63	[●]	[●]
<b>Total shareholding of Promoters (A)</b>	<b>848,930</b>	<b>35.99</b>	<b>[●]</b>	<b>[●]</b>
<b>(B) Promoter Group</b>				
NIL	-	-	-	
<b>Total shareholding of Promoter Group (B)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter and Promoter Group (A)+(B)</b>	<b>848,930</b>	<b>35.99</b>	<b>[●]</b>	<b>[●]</b>

\*2,500 Equity Shares held by Mr. Sameer Gujar have been pledged.

\*\*2,400 Equity Shares held by Mrs. Pratibha Gujar have been pledged.

**(c) Details of minimum Promoters' contribution locked-in for three years**

Pursuant to the SEBI ICDR Regulations, [●] Equity Shares aggregating to 20% of the post-Issue capital of our Company held by our Promoters shall be considered as minimum promoters' contribution ("Promoters' Contribution") and locked-in for a period of three years from the date of allotment in the Issue. Details of the same are as follows:

Name of Promoter	Date of Allotment/Transfer when made fully paid up	Nature of consideration	Reasons for allotment	Number of Equity Shares	Face Value	Cost of acquisition	% Of Pre-Issue Equity share capital	% Of Post-Issue Equity share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]		
[●]	[●]	[●]	[●]	[●]	[●]	[●]		
<b>Total</b>				<b>[●]</b>			<b>[●]</b>	<b>[●]</b>

\*the figures to be provided in this table shall be finalised upon determination of Issue Price and the number of Equity Shares to be issued pursuant to the Issue, through the Book Building Process

Except the Equity Shares held by our Promoters which are pledged, all the Equity Shares held by our Promoters as on the date of filing of the Red Herring Prospectus are eligible for computation of Promoters' Contribution.

Our Promoters have, pursuant to their undertakings, given consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of the Red Herring Prospectus until the commencement of the lock-in period specified above. The share certificate for Equity Shares in physical form, which is subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to NSE prior to listing of the Equity Shares on the SME Platform of NSE.

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'Promoter' under the SEBI ICDR Regulations. All the Equity Shares which shall be locked-in are eligible for computation of Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue. For further details regarding the objects of the Issue, please refer to the chapter titled '*Objects of the Issue*' on page 60 of the Red Herring Prospectus.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Code, as applicable.

An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum Allotment lot, while finalising 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. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

#### 8. *Details of Equity Shares locked-in for one year*

In addition to the lock-in of Equity Shares as the Promoters Contribution for three years as stated above, the balance of the pre-Issue Equity Share capital of our Company, comprising [●] Equity Shares, shall be locked-in for a period of one year from the date of Allotment of Equity Shares in the Issue, as per Regulation 36 and 37 of the SEBI ICDR Regulations.

#### 9. **We confirm that the Equity Shares being included in the Promoters' Contribution of 20% which is subject to lock-in for three years do not consist of:**

- Equity Shares acquired three years before the filing of the Red Herring Prospectus with NSE for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions or resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for Promoters' contribution;
- Securities acquired by our Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- 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;
- Pledged Equity Shares held by our Promoters.

Further, we confirm that all the Equity Shares of our Company held by the Promoters are held in dematerialised form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters' Contribution subject to lock-in will not be disposed/sold/transferred by our Promoters during the period starting from the date of filing of the Red Herring Prospectus with NSE till the date of commencement of lock in period as stated above.

## 10. Shareholding pattern of our Company

The table below represents the pre-Issue and post-Issue shareholding pattern of our Company:

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in dematerialised form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Shares Pledged or otherwise encumbered		Total Shareholding as a % of total number of shares (Post-Issue)	
					As a % of (A + B)	As a % of (A+B +C)	No. of Shares	As a %	As a % of (A + B)	As a % of (A+B+C)
<b>(A)</b>	<b>Shareholding of promoter and promoter group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/Hindu undivided Family	2	848,930	848,930	35.99	35.99	4,900*	0.25	[●]	[●]
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	2	848,930	848,930	35.99	35.99	4,900	0.25	[●]	[●]
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]
	<b>Total Shareholding of Promoter and promoter group (A)=(A)(1)+(A)(2)</b>	2	848,930	848,930	35.99	35.99	4,900	0.25	[●]	[●]
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>	-	-	-	-	-			-	-
(a)	Mutual Funds/UTI	-	-	-	-	-			-	-
(b)	Financial Institutions/Banks	-	-	-	-	-			-	-

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in dematerialised form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Shares Pledged or otherwise encumbered		Total Shareholding as a % of total number of shares (Post-Issue)	
					As a % of (A + B)	As a % of (A+B +C)	No. of Shares	As a %	As a % of (A + B)	As a % of (A+B+C)
-(c)	Central Government/State Government(s)	-	-	-	-	-			-	-
(d)	Venture Capital Funds	1	181,818	181,818	7.71	7.71			[●]	[●]
(e)	Insurance Companies	-	-	-	-	-			-	-
(f)	Foreign Institutional Investor	-	-	-	-	-			-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-			-	-
(h)	Nominated investors (as defined in chapter XB of SEBI (ICDR) Regulations)	-	-	-	-	-			-	-
(i)	Market Makers	-	-	-	-	-			-	-
(j)	Any Other	-	-	-	-	-			-	-
	<b>Sub Total (B)(1)</b>	1	181,818	181,818	7.71	7.71			[●]	[●]
<b>(2)</b>	<b>Non Institutions</b>									
(a)	Bodies Corporate	1	1,110,270	1,072,530	47.07	47.07			[●]	[●]
(b)	Individuals- i) Individual shareholders holding nominal share capital up to ₹ 1 lac	1	100	0	<0.01	<0.01			[●]	[●]
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3	217,700	0	9.23	9.23			[●]	[●]
(c)	Any other	-	-	-	-	-			-	-
	<b>Sub Total (B)(2)</b>	5	1,328,070	1,072,530	56.30	56.30			[●]	[●]
	<b>Total Public shareholding (B)= (B)(1) + (B)(2)</b>	6	1,505,888	1,254,348	64.01	64.01			[●]	[●]
	<b>Total (A) + (B)</b>	8	2,358,818	2,103,278	100.00	100.00			[●]	[●]
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of Shareholders	Total no. of shares	No. of shares held in dematerialised form	Total shareholding as a percentage of total number of shares (Pre-Issue)		Shares Pledged or otherwise encumbered		Total Shareholding as a % of total number of shares (Post-Issue)	
					As a % of (A + B)	As a % of (A+B +C)	No. of Shares	As a %	As a % of (A + B)	As a % of (A+B+C)
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00	[•]	[•]
(2)	Public	0	0	0	0.00	0.00			[•]	[•]
	<b>Total Shares held by Custodians and against which Depository Receipts have been issued (C)</b>	0	0	0	0.00	0.00			[•]	[•]
	<b>Grand Total (A)+(B)+(C)</b>	8	2,358,818	2,103,278	100.00	100.00			[•]	[•]

\*The process for completing the pledge of the Equity Shares post dematerialisation is under process as on the date of Red Herring Prospectus.

#### 11. List of top-ten shareholders

- (a) List of top ten shareholders of our Company as on the date of filing of the Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of paid up Equity Share Capital
1.	Innoventive Venture Limited	1,110,270	47.07
2.	Mr. Sameer Gujar	433,079	18.36
3.	Mrs. Pratibha Gujar	415,851	17.63
4.	SVCL	181,818	7.71
5.	Mr. Pravinkumar Jain	100,000	4.24
6.	Mr. Vivek Reddy	100,000	4.24
7.	Mr. Hitesh Kocheta	17,700	0.75
8.	Mr. Pradeep Desai	100	<0.01
	<b>Total</b>	<b>2,358,818</b>	<b>100.00</b>

- (b) List of top 10 shareholders of our Company 10 days prior to the filing of the Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the then paid up Equity Share Capital
1.	Innoventive Venture Limited	1,110,270	51.00
2.	Mr. Sameer Gujar	433,079	19.89
3.	Mrs. Pratibha Gujar	415,851	19.10
4.	Mr. Pravinkumar Jain	100,000	4.59
5.	Mr. Vivek Reddy	100,000	4.59
6.	Mr. Hitesh Kocheta	17,700	0.81
7.	Mr. Pradeep Desai	100	<0.01
	<b>Total</b>	<b>2,177,000</b>	<b>100.00</b>



(c) List of top ten shareholders of our Company two years prior to the date of filing the Red Herring Prospectus is as under:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the then paid up Equity Share Capital
1.	Mr. Chandu Chavan	166,620	30.61
2.	Mr. Pravinkumar Jain	100,000	18.37
3.	Mr. Vivek Reddy	100,000	18.37
4.	Mr. Ravindra Katre	38,878	7.14
5.	Mr. Sanjay Waghulade	33,324	6.12
6.	Mr. Sameer Gujar	25,000	4.59
7.	Mrs. Pratibha Gujar	24,000	4.41
8.	Mr. Hitesh Kocheta	17,700	3.25
9.	Mr. Parag Mulye	13,885	2.55
10.	Mr. Sanjay Bhade	13,885	2.55
	<b>Total</b>	<b>533,292</b>	<b>97.96</b>

12. As on the date of this Red Herring Prospectus, the shareholding of persons belonging to the category 'Public' and holding more than 1% of the pre-issue Equity Share capital of our Company is as follows:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of paid up Equity Share Capital
1.	Innoventive Venture Limited	1,110,270	47.07
2.	SVCL	181,818	7.71
3.	Mr. Pravinkumar Jain	100,000	4.24
4.	Mr. Vivek Reddy	100,000	4.24
	<b>Total</b>	<b>1,492,088</b>	<b>63.26</b>

13. On October 25, 2011, 277,700 Equity Shares were transferred to Innoventive Venture Limited: 166,620 Equity Shares from Mr. Chandu Chavan, 38,878 Equity Shares from Mr. Ravindra Katke, 33,324 Equity Shares from Mr. Sanjay Waghulade, 13,885 Equity Shares each from Mr. Parag Mulye & Mr. Sanjay Bhade and 11,108 Equity Shares from Mr. Shivaji Katke.

14. Our Company, our Promoters, our Directors and the BRLM have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.

15. During the six months preceding the date of filing Red Herring Prospectus with NSE, there are no transactions in our Equity Shares, which have been purchased/sold by our Promoters, or by the individuals forming part of the Promoter Group, or by the directors of the entities forming part of the Promoter Company or by the Directors of our Company or their immediate relatives (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) except as mentioned below:

Name	No. of Equity Shares	Date of Transaction	Price per Equity Share (₹)	Nature of transaction
Mr. Sameer Gujar	100	October 15, 2012	10	Sale

16. None of the individuals/entities forming part of the Promoter Group, or our Directors or their relatives, have financed the purchase of securities of our Company by any other person other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing the Red Herring Prospectus with NSE.

17. All the existing Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful Bidders will be issued fully paid-up Equity Shares.

Except for the Issue, our Company presently does not intend or propose to issue any further capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Red Herring Prospectus with NSE until the Equity Shares issued / to be issued pursuant to the Issue have been listed on the SME Platform of NSE.

18. As per the extant policy, OCBs are not permitted to participate in the Issue. Sub-accounts of FIIs who are foreign corporates or foreign individuals are not QIBs, and hence cannot Bid in the QIB Portion in the Issue.
19. As on date of the Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into Equity Shares of our Company.
20. There shall be only one denomination of Equity Shares of our Company at any given time, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
21. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Issue, subject to maximum limit of investment prescribed under relevant laws applicable to each category of investors.
22. Our Company has a total of seven (7) shareholders as on the date of the Red Herring Prospectus.
23. Our Company has not made any public or rights issue of any class or kinds of securities since its incorporation.
24. No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receives Allotments, if any, in the Issue.
25. None of our Directors or key managerial personnel hold Equity Shares of our Company, other than as follows:

Sr. No.	Name of the Director / key managerial personnel	Number of Equity Shares held	Percentage of pre-issue Equity Share Capital
1.	Mr. Sameer Gujar	433,079	18.36
2.	Mrs. Pratibha Gujar	415,851	17.63
3.	Mr. Pradeep Desai	100	<0.01
	<b>Total</b>	<b>849,030</b>	<b>35.99</b>

26. The BRLM and its associates do not hold any Equity Shares in our Company.
27. Our Company has not raised any bridge loans against the proceeds of the Issue.
28. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering the Red Herring Prospectus with the NSE and the Bid/Issue Closing Date shall be reported to NSE within twenty-four hours of such transaction.
29. Our Company shall ensure that any transaction in Equity Shares by the Promoters or the Promoter Group, between the date of registering the Red Herring Prospectus with the RoC and

the Bid/Issue Closing Date shall be reported to NSE within twenty-four hours of such transaction.

## OBJECTS OF THE ISSUE

The Issue is being undertaken to meet the Objects thereof, as set forth herein, and to realise the benefits of listing of our Equity Shares on the SME Platform of NSE, including the enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The proceeds of the Issue, after deducting Issue related expenses ("**Net Proceeds of the Issue**"), are estimated to be approximately [●] lacs.

The Net Proceeds of the Issue are proposed to be utilised by our Company for the following Objects:

1. Investments in Moulds, tools and equipment ,and Indigenisation of the designs for expansion of the existing manufacturing facility;
2. Enhancement of our Company's brand through advertising and other brand building activities; and
3. General corporate purposes.

The details of the Net Proceeds of the Issue are summarised in the table below:

(₹ in lacs)

Particulars	Amount
Gross Proceeds from the Issue	1,500.00
Less Pre-IPO Placement	199.99
Net Proceeds to be raised through this Issue excluding Pre-IPO Placement	1,300.00
Less (Issue Related Expenses*)	[●]
Net Proceeds of the Issue**	[●]

\*to be finalised upon completion of the Issue

\*\*to be determined pursuant to Issue related expenses being paid

The Main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue. For further details on the 'main objects' clause set out in our Memorandum of Association, please refer to the chapter titled "*History and Corporate Structure*" beginning on page 110 of the Red Herring Prospectus.

## Requirement of Funds

The following table sets forth the requirement of funds and means of finance as estimated are set forth below:

(₹ in lacs)

Sr. No.	Description	Amount
1.	Investments in Moulds, tools and equipment ,and Indigenisation of the designs for expansion of the existing manufacturing facility	1029.95
2.	Enhancement of our Company's brand through advertising and other brand building activities	390.50
3.	General Corporate Purposes	[●]
	<b>Total</b>	<b>[●]</b>

## Schedule of implementation and Deployment of Funds

Our Company proposes to deploy the funds in the aforesaid objects in FY 2013, FY 2014 and FY 2015. Detailed below is the estimated deployment of funds:

(₹ in lacs)

Sr. No.	Particulars	Amount Estimated to be Utilised from Net Proceeds	Estimated Net Proceeds Utilisation in FY 2013	Estimated Net Proceeds Utilisation in FY2014	Estimated Net Proceeds Utilisation in FY2015
1.	Invest in Moulds and Indigenisation of the designs and in overall expansion of the existing facility	1029.95	-	730.78	299.17
2.	Enhancement of our Company's brand through advertising and other brand building activities	390.50	-	234.30	156.20
3.	General Corporate Purposes	[●]	[●]*	[●]*	[●]*
	<b>Total</b>	[●]*	[●]*	[●]*	[●]*

\*To be finalised upon completion of the Issue

## Means of Finance

(₹ in lacs)

Sr. No.	Description	Amount
1.	Net Proceeds of the Issue*	[●]
2.	Internal accruals	[●]
3.	<b>Total</b>	[●]

\*Will be incorporated after finalisation of the Issue price

We intend to utilise the Net Proceeds of the Issue estimated at ₹ [●] for financing the growth of our business. We propose to finance [●] completely from the Net Proceeds of the Issue and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and identifiable internal accruals.

Our fund requirements and deployment of the Net Proceeds of the Issue is based on internal management appraisals and estimates. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals through cash flow from our operations and/or debt, as required. In the event that estimated utilisation out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilised in the next Fiscal. In the event of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Issue, the extent of shortfall will be met by way of incremental debt or through internal accruals.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances or costs in our financial condition,

business or strategy. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds.

### Details of the objects of the Issue

The details of the objects are enumerated as below:

#### 1. Indigenisation of the designs and in overall expansion of the existing facility

We intend to deploy ₹ 1,029.95 lacs for indigenisation of the designs and overall expansion of the existing facility in FY 2013, FY 2014 and FY 2015. Our products are manufactured at our Roorkee Unit and the existing facility will be used for our expansion. Currently, we manufacture as well as outsource our clock components, while the final assembly is completed at our Roorkee Unit.

#### Estimated cost of Indigenisation of the designs and in overall expansion of the existing facility

As part of the objects of the issue, we plan to increase our clock components manufacturing facility by procuring Moulds and in turn also reduce dependence on third party vendors. The estimated cost of procuring Moulds and other equipment related to our expansion plans are as follows:

(₹ in lacs)								
Sr. no.	Quotation Date	Mould Tool No.	Description	No of Mould Tools	No. of New Styles of Clocks*	Cost (₹)	Tax (₹)	Total (₹)
1	24/12/2012	540	Cabinet, S Chapla, Glass, Bottle, B. Chapla, Hosing, S Cover, Dial, Stick, Pendulum	10	4	64.00	1.28	65.28
2	24/12/2012	612	Cabinet, Ring, Pendulum, Chanda, Stick, Bottle, B. Cover, M Cover, S Cover, Dial	10	4	72.50	1.45	73.95
3	24/12/2012	621	Cabinet, Back Cover, S Patty, Big Patty, Chapla, Pendulum, Stick, Chanda, Dial	9	2	61.00	1.22	62.22
4	24/12/2012	702	Cabinet, Ring, Glass, Bottle, S. Cover, P. Stand, Pendulum, Stick	8	2	56.50	1.13	57.63
5	24/12/2012	711	Cabinet, Ring, Pendulum, Chanda, Stick, Bottle, B. Cover, Design Patty, Cap	9	3	55.25	1.11	56.36
6	24/12/2012	262	Front Cover, Back Cover, Ring, Bottle	4	1	19.25	0.39	19.64
7	24/12/2012	261	Cabinet, Housing, Big Chapla, S Chapla, Show Patty	5	2	24.25	0.49	24.74
8	24/12/2012	351	Front Cover, Back	8	2	39.50	0.79	40.29



Sr. no.	Quotation Date	Mould Tool No.	Description	No of Mould Tools	No. of New Styles of Clocks*	Cost (₹)	Tax (₹)	Total (₹)
			Cover, Ring, Glass, S. Cover, P. Stand, Pendulum, Stick					
9	24/12/2012	342	Cabinet, Ring, Glass, Bottle, S. Cover, P. Stand, Pendulum, Stick	8	3	41.25	0.83	42.08
10	24/12/2012	333	Cabinet, Ring, Bottle, B. Cover	4	1	18.85	0.38	19.23
11	24/12/2012	324	Cabinet, Ring, Pendulum, Chanda, Stick, Bottle, B. Cover	7	2	37.35	0.75	38.10
12	24/12/2012	414	Cabinet, Ring, Glass, S Cover, P Stand	5	2	22.35	0.45	22.80
13	24/12/2012	423	Cabinet, Back Cover, S Chapla, B Chapla, Bottle, B Cover	6	2	37.00	0.74	37.74
14	24/12/2012	432	Cabinet, Back Cover, S Patty, Big Patty, Chapla, Pendulum, Stick, Chanda, Dial	9	2	51.50	1.03	52.53
15	24/12/2012	RMLD 01	Square Cabinet, Ring	2	1	7.875	0.16	8.03
16	24/12/2012	RMLD 02	Round Cabinet, Ring, Pendulum	3	1	17.10	0.34	17.44
17	24/12/2012	RMLD 03	Big Round Ring, Chapla, Cabinet	3	1	12.65	0.25	12.90
18	24/12/2012	252	Cabinet, Ring, Back Cover	3	1	10.75	0.22	10.97
19	24/12/2012	270	Cabinet, Show Patty, Chapla	3	1	9.25	0.19	9.44
20	24/12/2012	441	Cabinet, Ring, Glass, Bottle, B. Cover, P Stand, S Cover, Dial	8	2	46.50	0.93	47.43
21	24/12/2012	450	Cabinet, Ring, Pendulum, Chanda, Stick, Bottle, B. Cover, M Cover, S Cover	9	3	65.00	1.30	66.30
22	24/12/2012	513	Cabinet, Ring, Glass, S Cover, P Stand, S Chapla, B Chapla, Bottle, B Cover	9	3	60.50	1.21	61.71
23	24/12/2012	522	Cabinet, Back Cover, S Chapla, B	10	3	72.00	1.44	73.44

Sr. no.	Quotation Date	Mould Tool No.	Description	No of Mould Tools	No. of New Styles of Clocks*	Cost (₹)	Tax (₹)	Total (₹)
			Chapla, Bottle, B Cover, Stick, Pendulum, Chanda, Dial					
24	24/12/2012	531	F Cover, Back Cover, Ring, Glass, M Bottle, M Cover, Housing, Chanda, Dial	9	3	57.75	1.16	58.91
25	24/12/2012	603	Cabinet, Ring, Glass, Bottle, B. Cover, P. Stand, S. Cover, Dial	8	2	45.50	0.91	46.41
26	11/12/2012	DG Set		1		3.85	0.56	4.41
<b>Total</b>					<b>53</b>	<b>1009.28</b>	<b>20.67</b>	<b>1029.95</b>

\*Based on management estimates

According to our estimates, average life of a steel Mould is in the range of 11-13 years which will help us to produce various designed styles that can be sold over a period of approximately 12 years.

### Methodology for computation of mould cost

We identified a number of mould designs which can be used over a period of time in multiple clock design. We then approached the mould manufacturers to translate the mould design idea into 3D model. Based on these model and discussion with our design team, the mould manufacturer provided us the quote for the moulds.

The quotes for all our mould designs are provided by M/s Gayatri Metal Works, Morbi, Gujarat. However, we have not entered into any definitive agreement with M/s. Gayatri Metal Works, Morbi, Gujarat and there can be no assurance that it will be engaged to eventually manufacture our Moulds.

## 2. Enhancement of our Company's brand through advertising and other brand-building activities

In order to strengthen our brand, our Company intends to enhance awareness of its brand through advertising and various other promotional activities, organising contests for our users/ dealers and event sponsorships. Our Company proposes to utilise ₹ 390.50 lacs from the Issue proceeds towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that increasing the awareness of our brand and services throughout rest of India would require direct marketing efforts and brand-building strategies. We believe, the category of product and its positioning in the market, brand promotion exercise will lead to long term benefits.

Our brand-building strategies would comprise of undertaking the following activities:

(₹ in lacs)

Sr. No.	Particulars	Total
1.	Online Marketing	66.00
2.	Electronic Media	52.80
3.	Outdoor	112.20
4.	Event & Sponsorship	159.50
	<b>Total</b>	<b>390.50</b>

The quotes for all our brand building activities are provided by Business Promotion Systems, New Delhi. However, we have not entered into any definitive agreement with Business promotion systems, New Delhi and there can be no assurance that it will be engaged to eventually.

#### **Online Marketing:**

Search Engine Optimisation and ads on search engines like Google etc. reduced cost in online marketing can help us achieve the attention of the mass viewership of our target audience. Niche internet marketing attempts to create a more direct advertising message for those who are seen as most likely to buy the product being advertised and appealing to specific users can be achieved. We plan to invest ₹ 66.00 lacs on online marketing over FY 2014-FY 2015.

#### **Electronic Media:**

A specific theme based OPAL awareness plan to be launched focusing on specific styles through Time calling slot on top Radio channels, Cell phone/Tablet advertisement, through Satellite cable providers advertisement. We will also focus on advertising in screens at multiplexes, malls, Airports, etc. We plan to invest ₹ 52.80 lacs on electronic media over FY 2014-FY 2015.

#### **Outdoor:**

Our plan for outdoor advertising will target the large viewership reinforcing the availability of the brand resulting reassurance of the customers brand choice. Top dealers (based on revenue contribution) will be assigned signboards and other outdoor branding like Standies, Hoardings, Banners, etc. which also includes separate catalogue, brochure and selling material etc. we plan to invest ₹ 112.20 lacs on outdoor over FY 2014-FY 2015.

#### **Event & Sponsorships**

Sponsoring IIID (Indian Institute of Interior Designers) meets and showcasing products and Covering at least 6 to 8 exhibitions for Interiors in cities like NCR, Mumbai, Bangalore, Kolkata, Pune, etc. creating space for branding and recognition in the stores of top Organised Retail chains and Public Places of Importance, Bureaucrats offices, & other prime locations. We plan to invest ₹ 159.50 lacs on events and sponsorship over FY 2014-FY 2015.

Overall, brand building exercise will increase awareness about the brand provided by our company resulting in more distribution channels. Our company proposes to use various mode of advertising like Electronic Media, Print Media, Outdoor, Event and Sponsorship etc. to enhance our brand awareness. The total expenditure to be incurred is estimated to be ₹ 390.50 lacs.

### **3. General Corporate Purposes**

Our Company intends to deploy not more than 25% of the IPO Proceeds for general corporate purposes, including but not restricted to, future growth requirements, strategic initiatives, renovation of existing offices and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by our Board.

#### **Issue related expenses**

The estimated Issue related expenses are as follows:

Sr. No.	Description	Amount (₹ in lacs)	As a percentage of total expenses	As a percentage of Issue size
1.	Issue management (lead management fees, underwriting, selling commission including commission paid to members of the Syndicate as	[•]	[•]	[•]

Sr. No.	Description	Amount (₹ in lacs)	As a percentage of total expenses	As a percentage of Issue size
	well as to the non-syndicate members, for procuring ASBA Bids and submitting the same with SCSBs and processing fees paid to SCSBs for processing Syndicate ASBA Bids , Market Making expenses etc.)			
2.	Registrars fees and expenses			
3.	Advertising, Travelling and Marketing expenses	[•]	[•]	[•]
4.	Printing and Stationary expenses	[•]	[•]	[•]
5.	Other expenses (including legal advisors fee, regulatory fees and charges including fees paid to Stock Exchange Depositories etc.)	[•]	[•]	[•]
	<b>Total estimated issue expense*</b>	[•]	[•]	[•]

\*will be incorporated after finalisation of the Issue Price

In case of business requirements, required funds will be deployed out of internal accruals towards the 'Objects of the Issue' and will be recouped from the proceeds of the Issue.

### Interim use of proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the Issue proceeds. Pending utilisation of the Issue proceeds for the purposes described above, our Company intends to temporarily invest the funds in interest bearing liquid instruments including investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments, rated debentures or deposits with banks as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time.

### Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

### Appraisal

The objects of this Issue have not been appraised by any bank or any other independent financial institution.

### Monitoring of Utilisation of Funds

Since the Issue size does not exceed ₹ 50,000 Lacs, the appointment of a monitoring agency as per Regulation 16 of the SEBI Regulations is not required. As required under the listing agreements with the Stock Exchange, the Audit Committee appointed by our Board will monitor the utilisation of the Issue proceeds. We will disclose the utilisation of the proceeds of the Issue, including interim use, under a separate head in our quarterly/half yearly financial disclosures and annual audited financial statements until the Issue Proceeds remain unutilised, to the extent required under the applicable law and regulation. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing of our Equity Shares on the SME Platform of NSE.

Pursuant to clause 52 of the SME Equity Listing Agreement, our Company shall on a half yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made

only until such time that all the proceeds of the Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of the proceeds of the Issue to the Stock Exchange(s) and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the Proceeds from the Issue will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business. For risks associated with respect to the objects of this Issue, please see the section titled “*Risk Factors*” beginning on page 15 of the Red Herring Prospectus.

## BASIC TERMS OF THE ISSUE

### Principal terms & Conditions of the Issue

Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the Listing Agreement to be entered with the NSE, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities on the SME Platform of NSE issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies act and of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the other existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the chapter titled “*Main Provisions of the Articles of Association*” beginning on page 255 of this Red Herring Prospectus.

### Mode of payment of dividend

Our Company shall pay dividend to its shareholders as per the provisions of the Companies Act, the Articles of Association and the Listing Agreements.

### Face Value and Issue Price

The face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. At any given point of time, subject to applicable law, there shall be only one denomination of Equity Shares.

### Compliance with Regulations issued by SEBI

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

### Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company 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 any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right of free transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act the terms of the listing agreements executed with the Stock Exchange, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation /



splitting, please refer to the chapter titled *“Main provision of the Articles of Association of our Company”* beginning on page 255 of the Red Herring Prospectus.

### **Market Lot, Trading Lot and Minimum Application Value**

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors. The trading of Equity Shares will happen with the minimum contract size of 1,000 equity shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large. The trading lot is 1,000 Equity Shares. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of 1,000 Equity Share, subject to a minimum allotment of 1,000 Equity Shares. For details of allocation and allotment, please refer to the chapter titled *“Issue Procedure”* beginning on page 212 of the Red Herring Prospectus.

### **Joint Holders**

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

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

### **Nomination Facility to the Investor**

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar to the Issue.

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:

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

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

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

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If our Company does not receive the subscription of 100% of the Issue through this Red Herring Prospectus including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

### **Migration to Main Board**

Our company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- a) If the Paid up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of our company is more than 10 crores and upto ₹ 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the SME Platform of NSE ("**SME Exchange**"), wherein the BRLM shall ensure compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Red Herring Prospectus. For further details of the Market Making arrangement see chapter titled "General Information" on page 38 of this Red Herring Prospectus.

### **Arrangement for disposal of odd lot**

The trading of the equity shares will happen in the minimum contract size of 1,000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

## BASIS FOR ISSUE PRICE

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 through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Issue Price is [●] times the face value.

### Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry.

- *Established brand*
- *Multiple sales channels*
- *Lean Business Model*
- *Diverse product mix*
- *Experienced management team*

For further details, please refer to the paragraph titled “Competitive Strengths” under the chapter titled “Business Overview” beginning on page 92 of the Red Herring Prospectus.

### Quantitative Factors

The information presented below relating to our Company is based on the restated consolidated financial statements for FY 2012, 2011, and 2010 and six months’ period ended September 30, 2012 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, please refer to the chapter titled “Financial Statements” beginning on page 136 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

- **Basic and Diluted Earnings, on a standalone basis, Per Share (“EPS”), as adjusted for change in capital:**

Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2010	144.22	1	144.22	1
March 31, 2011	90.49	2	90.49	2
March 31, 2012	23.58	3	23.58	3
Weighted Average	65.99		65.99	
September 30, 2012	6.29		6.29	

### Notes:

(1) EPS calculations have been done in accordance with Accounting Standard 20-“Earning per share” issued by the Institute of Chartered Accountants of India.

(2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

- **Standalone Price/Earning (P/E) ratio in relation to Issue Price band of ₹ 130 to ₹ 135 per Equity Share of ₹ 10 each:**

Particulars	P/E at the lower end of the price Band (no. of times)	P/E at the higher end of the price Band (no. of times)
	Based on Basic EPS	Based on Diluted EPS
P/E ratio for the year ended March 31, 2012	5.51	5.73
P/E ratio based on weighted average EPS	1.97	2.05

- **Return on Net Worth ("RoNW"):**

As per our restated standalone financial statements:

Year ended	RoNW (%)	Weight
March 31, 2010	30.87	1
March 31, 2011	31.47	2
March 31, 2012	24.42	3
Weighted Average	27.85	
September 30, 2012 <sup>#</sup>	10.37	

Note: 1) The RoNW has been computed by dividing profit after tax by net worth as on the end of the previous Financial Year

<sup>#</sup> September 30, 2012 figure is not annualised

- **Minimum Return on Increased Net Worth after the Issue needed to maintain Standalone Pre-Issue EPS for the year ended March 31, 2012:**

- Based on basic earnings per share:  
At the Issue Price: [●]% based on the restated financial statements  
At the Floor Price: 28.09% based on the restated financial statements  
At the Cap Price: 27.60% based on the restated financial statements
- Based on diluted earnings per share:  
At the Issue Price: [●]% based on the restated financial statements  
At the Floor Price: 28.09% based on the restated financial statements  
At the Cap Price: 27.60% based on the restated financial statements

- **Standalone Net Asset Value<sup>#</sup> ("NAV") per Equity Share of face value ₹ 10 each:**

Year ended	NAV per Equity Share (₹)	Weight
March 31, 2010	467.21	1
March 31, 2011	131.06	2
March 31, 2012	54.31	3
Weighted Average	148.71	
September 30, 2012 <sup>#</sup>	60.59	

- Issue Price: ₹ [●]  
After the issue: ₹ [●]
- Floor Price: ₹ 130  
After the issue: ₹ 83.93
- Cap Price: ₹ 135  
After the issue: ₹ 85.42

# Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares as at year end.

\* Issue Price per Equity Share will be determined on the conclusion of the Book Building Process.

Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares outstanding at the end of the period.

- **Comparison with Industry Peers:**

As our Company is one of the few organised players in products segment of the Premium Wall clocks industry and since there are no Indian listed entities, there are no comparable figures available with us. The detail on the comparison of accounting ratios of our Company with other listed entities has not been given as there are no listed peers in the same line of business.

The Issue Price of ₹ [●] per Equity Share is [●] times of the face value of ₹ 10 per equity share, where the Floor Price of ₹ 130 per Equity Share is 13 times of the face value of ₹ 10 per equity share and the Cap Price of ₹ 135 per Equity Share is 13.5 times of the face value of ₹ 10 per equity share. The Issue Price has been determined by our Company in consultation with the BRLM and on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

The BRLM believes that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with the section titled “Risk Factors” and the chapter titled “Financial Statements” beginning on pages 15 and 136 respectively, of the Red Herring Prospectus, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in the section titled “Risk Factors” beginning on page 15 of the Red Herring Prospectus, and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

To,

The Board of Directors,  
**Opal Luxury Time Products Limited**  
Plot NO. 31, 1<sup>st</sup> Floor, "Shree Ganesh",  
Shivaji Co-op Housing Society  
Senapati Bapat Road, Pune – 411016

Dear Sirs,

### **Sub: Statement of Possible Tax Benefits**

We hereby report that the enclosed annexure states the possible tax benefits available to **Opal Luxury Time Products Limited** (the "Company") and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives faced by the Company in the future which the Company may or may not choose to fulfill.

The benefits discussed below 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, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription, 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:

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretation of the current tax laws in force in India

For Bharat J. Rughani & Co  
Chartered Accountants

Bharat Rughani  
Proprietor  
Membership No.: 040543  
Place: Mumbai  
Date: January 08, 2013



## **Annexure:**

### **Statement of possible tax benefits available to Opal Luxury Time Products Limited and to its Shareholders**

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to the Company and its shareholders provided that the conditions laid down therein are followed.

#### **Benefits available to the Company**

##### **I. Special Tax Benefits**

###### **A. Deduction under section 80-IC**

The company has established an undertaking/enterprise of manufacturing/assembling of clocks during the FY 2009-10 at Industrial Growth Centre in Haridwar in the state of Uttarakhand (previously known as Uttaranchal) The said undertaking is eligible for deduction of one hundred percent of profits for the initial five assessment years (From Assessment year 2010-11 to Assessment year 2014-15) and thirty percent of profits for the subsequent five assessment years (From Assessment year 2015-16 to Assessment year 2019-20) under section 80 IC of the Act. The deduction is available to an enterprise or undertaking which is in any Export Processing Zone or Integrated Infrastructure Development Centre or Industrial Growth Centre or Industrial Estate or Industrial Park or Software Technology Park or Industrial Area or Theme Park as notified by Central Government in the state of Uttarakhand.

However, as per Section 115JB of the Act, the Company shall be required to pay Minimum Alternate Tax ("MAT") at the rate of 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on book profits as computed under the said Section, irrespective of the tax benefits available under Section 80-IC of the Act. However, MAT credit can be claimed under Section 115JAA of the Act, as applicable.

###### **B. Excise Exemption**

The above mentioned undertaking of the company at Uttarakhand is also eligible for exemption from payment of entire basic excise duty (BED) and any other additional excise duty (AED) on the goods cleared for a period of ten years from the start of commercial production in Financial Year 2010-11. Accordingly, the said exemption is available to the company till the Financial Year 2019-2020.

###### **C. Central Sales Tax Exemption**

The above mentioned undertaking of the company at Uttarakhand is also eligible for exemption of one percent of central sales tax for the interstate goods transaction for a period of five years from the start of commercial production in Financial Year 2010-11. Accordingly, the said exemption is available to the company till the Financial Year 2015-2016.

##### **II. General Tax Benefits**

###### **A. Dividend Income**

According to section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received by the Company on its investment in the shares of any domestic company shall be exempt from tax. Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act shall be exempt from tax under Section 10(35) of the Act.

Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the Act. The expenditure relatable to “exempt income” needs to be determined in accordance with 94 the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 (“Rules”).

However, the Company would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the total amount declared, distributed or paid as dividends. In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfillment of the conditions), shall be reduced by:

- dividends received from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and
- such subsidiary has paid DDT on such dividends under Section 115-O of the Act.

## **B. Interest Income**

The Company will be entitled to claim exemption for interest on tax-free bonds under section 10(15) of the Act.

## **C. Income from House Property**

- (i) According to section 24(a) of the Act, the company will be eligible for deduction of thirty percent of its income from house property.
- (ii) According to section 24(b) of the Act, the company will also be eligible for deduction of the interest paid or payable on the capital borrowed for acquiring, constructing or repairing the property from income from house property.

## **D. Capital Gains**

- (i) Capital Assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/zero coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of such long-term capital assets are considered as ‘long-term capital gains’. Capital gains arising on transfer of such assets held for a period of 12 months or less are considered as ‘short-term capital gains’.
- (ii) According to section 10(38) of the Act, long term capital gains arising to the Company from the transfer of long term capital asset being equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, shall be exempt from tax in the hands of the Company. However, the company will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB of the Act.

For this purpose, “equity oriented fund” means a fund –

- a) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
  - b) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
- (iii) According to section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of twenty percent (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds

computed at the rate of twenty per cent (plus applicable surcharge on tax and education cess), after availing the benefit of indexation exceeds, the tax on the long-term capital gain computed at the rate of ten per cent (plus applicable surcharge on tax and education cess) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

- (iv) According to section 111A of the Act, short term capital gains arising to the Company from sale of equity shares transacted through a recognized stock exchange or a unit of an equity oriented fund in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of fifteen percent (plus applicable surcharge and education cess).
- (v) Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.  
Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains only. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
- (vi) According to section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed 50 lacs during any financial year.

#### **E. Depreciation / Business Loss**

- (i) The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as provided in Section 32 of the Act.
- (ii) Unabsorbed depreciation can be carried forward to future years for set off against subsequent year's income.
- (iii) Business losses can be carried forward for eight succeeding assessment years for set off against subsequent business profits.

#### **F. Amortisation of certain expenditure**

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

Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

#### **G. Deduction for donations**

The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to the fulfillment of conditions prescribed therein. Please note that no deduction shall be allowed under Section 80G of the Act for any sum exceeding ₹ 10,000 unless such sum is paid by any mode other than cash.

## H. Scientific Research Expenses

- (i) Subject to fulfillment of specified conditions, the Company will be eligible, inter alia, for deduction in respect of revenue expenditure under section 35(1)(i) and in respect of capital expenditure (other than expenditure on the acquisition of any land) under section 35(1) (iv) of the Act incurred on scientific research.
- (ii) As per section 35(2AB) of the Act, the Company will be entitled to claim deduction of two times of the expenditure incurred on in-house research and development facility subject to fulfillment of certain conditions specified therein.

## I. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(1)(xv) of the Act.

## J. Minimum Alternate Tax

According to the provisions of section 115JB of the Act, the company will be required to pay Minimum Alternate Tax ("MAT") at the rate of eighteen and half percent (as provided by Finance Act, 2012) (plus applicable surcharge and education cess) on the book profit determined, if the income-tax payable as per normal provisions of the Act is less than such amount. If the company has paid taxes under section 115JB of the Act, then in accordance with provisions of section 115JAA, the amount paid will be available as MAT credit to the Company for setting off against normal taxes in succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

## III. Key benefits available to the Resident Shareholders of the Company:

### A. Dividend Income

According to section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act, received on the shares of the Company shall be exempt from tax.

No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

### B. Capital Gains

Benefits outlined in paragraph I-(D) above, mutatis mutandis are also available to resident shareholders, in respect of capital gains derived from sale of shares of the Company. In addition to the same, the following benefits are also available to the resident shareholders:

- (i) In accordance with, and subject to the conditions and to the extent specified in section 54F of the Act, long-term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years.
- (ii) In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vii) of the Act, subject to certain conditions specified therein.

- (iii) In the event of amalgamations of companies, transfer of capital asset, being a share or shares in the amalgamating company held by a shareholder will not attract capital gain tax as per the provisions of Section 47(vii) of the Act, subject to fulfillment of certain conditions specified therein.

#### **C. Security Transaction Tax (STT) allowed as deductible expenditure**

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

### **IV. Key benefits available to Non-Resident Indians / Non Resident Shareholders (Other than FIIs and Foreign venture capital investors).**

#### **A. Dividend Income:**

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received on the shares of the Company shall be exempt from tax.

No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

#### **B. Capital Gains:**

- (i) Benefits outlined in Paragraph II (B) above mutatis mutandis are also available to a non-residents / non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.
- (ii) In accordance with, and subject to the conditions and to the extent specified in section 54F of the Act, long-term capital gains arising on transfer of the shares of the Company, not covered under section 10(38) of the Act, held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years.
- (iii) In the event of Demerger of a company, transfer or issue of shares by the resulting company to the shareholders of the demerged company will not attract capital gain tax as per provisions of Section 47(vii) of the Act, subject to fulfillment of certain conditions specified therein.
- (iv) In the event of amalgamations of companies, transfer of capital asset, being a share or shares in the amalgamating company held by a shareholder will not attract capital gain tax as per the provisions of Section 47(vii) of the Act, subject to fulfillment of certain conditions specified therein.

#### **C. Special Provisions relating to Certain Income of Non- Resident Indians:**

According to Section 115C (e) of the Act, a 'Non-Resident Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said section, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India. Under section 115-I of the Act, the Non-Resident

Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

- (i) As per section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be taxed at the flat rate of ten percent (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
- (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets or savings certificates referred to in section 10(4B) of the Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- (iv) As per section 115H 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 the assessment year in which he is first assessable as a Resident, 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 the specified assets for that year and subsequent assessment years until such assets are converted into money.

#### **D. 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.

#### **E. Security Transaction Tax (STT) allowed as deductible expenditure**

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

### **V. Key benefits available to Foreign Institutional Investors (FIIs)**

#### **A. Dividend Income:**

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of the Company shall be exempt from tax.

No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relating to “exempt income” needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.



## B. Capital Gains:

- (i) As per section 10(38) of the Act, long term capital gains arising to the FIIs from the transfer of shares in the Company where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs. However, the company will not be able to claim the above exemption while computing the book profit and income-tax payable under section 115JB of the Act.

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains covered in section 111A	15
Short term capital gains not covered in section 111A	30

- (ii) As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

The above tax rates will have to be increased by the applicable surcharge and education cess. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

- (iii) As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed 50 lacs during any financial year.
- (iv) Under section 74 of the IT Act, unabsorbed loss, if any, under the head “Capital Gains” can be carried forward and set off in the specified manner against the capital gains for subsequent years (up to 8 years) subject to the condition specified therein.

## C. Tax Treaty benefits:

The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of Section 90(2) of the Act, the provision of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident.

As per the amendments introduced by the Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

## D. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.



## VI. Key benefits to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

## VII. Benefits to shareholders of the Company under the Wealth Tax and Gift Tax Acts

- (i) Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.
- (ii) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the company is not liable to gift tax. However, as per the provisions of section 56(2)(vii) and 56(2)(viia) of the Act, the same will be treated as income in the hands of the donee unless the gift is covered by the situation enumerated in the proviso to respective sections.

### Benefits available to Venture Capital Companies/Funds

Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in venture capital undertaking) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992.

As per Section 115U of the Act, any income accruing/ arising/ received by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

### Notes:

1. All the above benefits are as per the current tax laws as amended by Finance Act, 2012 and will be available only to the sole / first named holder in case the shares are held by joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.
4. A shareholder is advised to consider in his / her / its own case, the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. In particular we have relied on “Home Décor & Furnishing and Organised Wall Clock Industry” issued by CRISIL Research on December 31, 2012 (the “CRISIL Research Report”). The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

#### **The Global Economy**

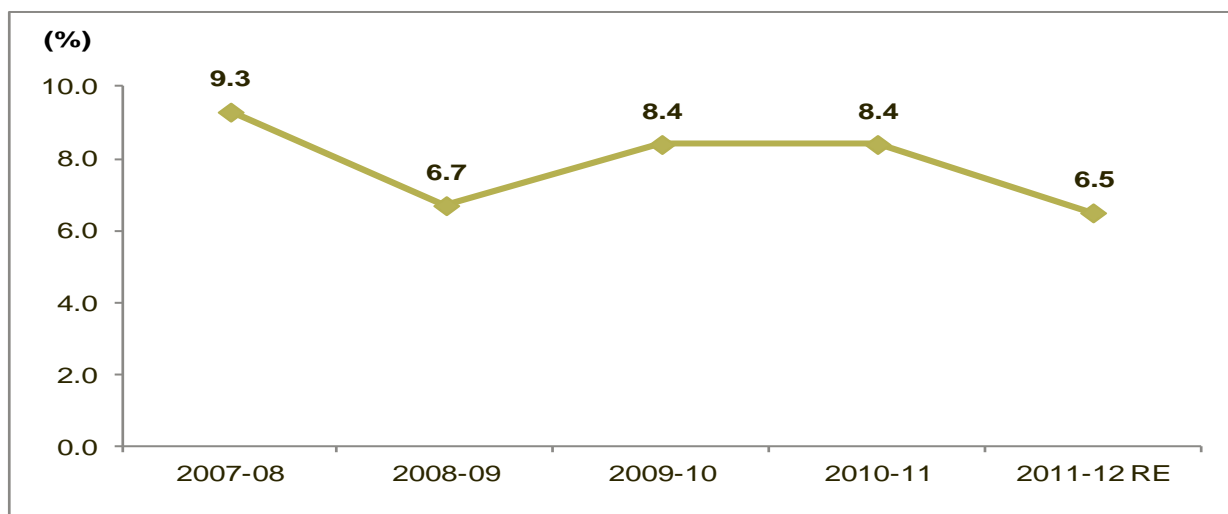
The global economy is projected to grow at a lower rate of 3.3% in calendar year 2012, in comparison with the growth rate of 3.8% in calendar year 2011 (Source: International Monetary Fund, World Economic Outlook, October 2012 Update). The lower growth rate is due to the factors such as the European debt crisis and US recessionary fears. The European debt crisis escalated sharply all over the global economy. The growth in emerging and developing economies slowed down considerably due to more than expected effect of the macroeconomic policy tightening. Global output is projected to expand by 3.3% and 3.6% in calendar year 2012 and 2013, respectively. In both the calendar years 2012 and 2013, growth in emerging and developing economies is expected to remain sluggish at 5.3% and 5.6%, respectively, from 6.2% in the calendar year 2011. (Source: International Monetary Fund, World Economic Outlook, October 2012 Update).

#### **The Indian Economy**

India is the 4th largest economy in the world after the European Union, United States and China (in terms of purchasing power parity) and was worth \$1.7 trillion as on March 31, 2012, according to the International Monetary Fund (IMF). With growing trade and investment integration with the rest of the world, the Indian economy is not isolated from global developments. (Source: CRISIL Research Report)

During the global financial crisis, growth of the Indian economy slipped to 6.7 per cent in 2008-09 from 9.3 per cent in the previous year. In the post crisis period (2009-10 and 2010-11), fiscal stimulus by the government kept the economy buoyant and grew at 8.4 per cent. The latest GDP numbers, however, paint a grim picture with GDP growth at 6.5 per cent for 2011-12 and 5.3 per cent during Q2 2012-13. In the post-crisis period, growth has slowed down primarily due to uncertain and weak global economic scenario and adverse domestic economic conditions – policy log-jam, persistent inflation and slowing investment and consumption demand. (Source: CRISIL Research Report)

## GDP growth in Indian economy (Y-o-Y)



RE: Revised estimates

Source: Central Statistical Organisation (CSO), CRISIL Research Report

Taking into consideration the weak global economic environment and the domestic policy hurdles, GDP growth is expected to remain subdued over the remaining quarters of this fiscal as well. Although government has announced some reform measures recently, it will take a while for them to take effect. (Source: CRISIL Research Report)

## Retail Industry

The overall market size of the retail industry (organised and unorganised) was estimated at ₹ 23 trillion in 2011-12 having expanded at 14.5 per cent CAGR over the previous 5 years (2007-08 to 2011-12). Food & grocery and apparel are the two biggest segments in the retail market and contributed approximately 82 per cent of the total retail industry in 2011-12.

Over the next 5 years (2012-13 to 2016-17), the overall retail market is expected to expand at 15 per cent CAGR. Rising incomes will be the primary driver of this growth. Favourable demographics, increasing urbanisation and nuclearisation of families are other factors, which will drive retail consumption in India. (Source: CRISIL Research Report)

### Organised retailing

Organised retailing has been defined by CRISIL Research Report as a form of retailing whereby consumers can buy goods from a similar purchase environment across more than one physical location.

### Organised retail formats

According to CRISIL Research Report, a retail format refers to the overall appearance, layout, product mix and pricing strategy adopted by a retailer in a particular store. Indian retailers are experimenting with various retail formats for each type of market. Retail formats operate mainly under two propositions- value or lifestyle.

1. **Value retailing** – It mainly targets the masses comprising largely of middle-income households. Consumer spends in this segment revolve around necessities. In organised retail, value retailers provide goods to consumers at low prices, while maintaining a modern shopping format. Primary formats that focus on value retail are supermarkets, hypermarkets and convenience stores.

2. **Lifestyle retailing** - Lifestyle retailing pertains to brands and lifestyle products and focuses on the mid to higher income segments. It is generally done through departmental stores and branded outlets primarily retailing apparel and accessories.

Apart from the above-mentioned formats, organised retailers have also ventured into specialised formats such as -

- **Cash and Carry (Wholesale Clubs):** Is a wholesale format operating on a trading space spread across 85,000-125,000 sq ft. The target audiences are retailers (mom and pop stores) and others like hotels, restaurants, caterers and institutions (HoReCa).
- **Luxury retailing:** Refers to the provision of high-end luxury brands and services to the affluent. The average size of these luxury retailing formats would range between 1,500 sq ft and 4,000 sq ft, and major catchment areas are likely to be premium areas in major metros such as South Mumbai, South Delhi, Central Business District regions (CBD) of Chennai and Bengaluru.
- **Airport retailing:** Is at a nascent stage in India. Earlier it was mainly restricted to alcohol, chocolates and perfumes. However, the expansion and modernisation of airports across key cities has resulted in the development of quality retail space at these airports.

**Online retailing:** A traditional retailer sells products to his customers using the internet and also takes ownership of their delivery either through his own network or through a third-party.

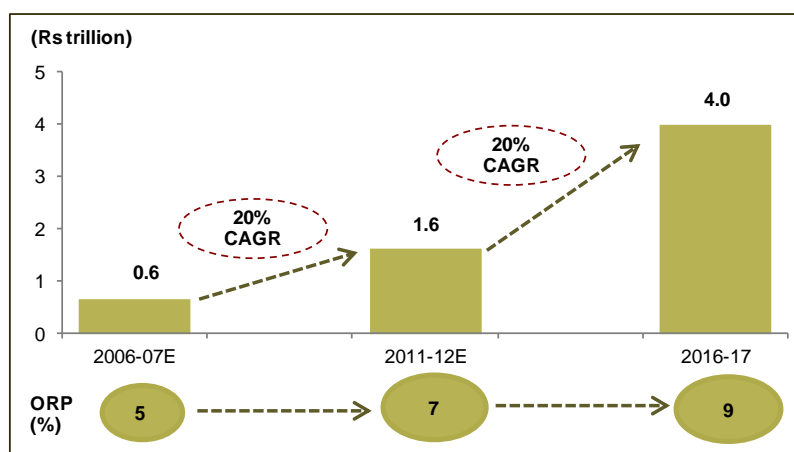
(Source: CRISIL Research report)

### Market size & Outlook

As per CRISIL Research estimates, the organised retail industry was about 7 per cent of the overall retail industry in 2011-12. The organised retail segment reported a faster growth of about 20 per cent CAGR between 2007-08 and 2011-12.

The year 2011-12 was a difficult one for organised retailers. Revenue growth of most players dipped sharply on account of weak consumer sentiment. Apparel prices also rose sharply with the increase in cotton prices and the levy of excise duty on branded apparel leading to flat-to-negative volume growth for apparels. This added to the woes of organised retailers (as apparel accounts for one-third of organised retail) and slowed down same store sale growth. As a result, organised retail grew at a moderate 16 per cent in 2011-12 as compared to a strong 23 per cent in 2010-11. (Source: CRISIL Research Report)

### Growth of organised retail in India



E: Estimate; ORP: Organised Retail Penetration

Source: CRISIL Research Report

CRISIL Research expects organised retail to grow at a robust 20 per cent CAGR over the next 5 years till 2016-17. Consequently, organised retail penetration (ORP) is also likely to increase to 9 per cent (pre-FDI impact) in 2016-17 from 7 per cent in 2011-12. However, if all states permit FDI in retail, ORP will increase to 10 per cent by 2016-17. This growth will be driven by increasing affluence among urban consumers, growing preference for branded products and higher aspirations among youth. On the supply side, this growth will be supported by expansion plans of existing players and the entry of new players.

### Furniture, home decor and furnishing

The popularity of readymade furniture has been increasingly gaining ground. The concept of good living is catching up with the Indian middle class who do not mind spending that extra amount for decorating their homes. Demand creation during the housing boom widened the market further, paving way for retailers who not only retailed furniture through their hypermarket formats but also set up exclusive shops. (Source: CRISIL Research Report)

Product category	Stores	
<b>Exclusive Furniture stores</b>	Living Room	Gautier
	Furniturewala	Godrej
	Kian	Tangent
	Durian	
<b>Exclusive Home Décor and Furnishings stores</b>	S Kumar's Carmichael	Bombay Dyeing
	Himantsingka - Atmosphere	Portico
	Maspar	Welspun Retail
	Abhishek Industries	Alok Industries - H&A
	Kurl-on	Season's Furnishing
<b>Furniture, Home Décor and Furnishings stores</b>	Home Stop (Shoppers Stop)	@ Home (Nilkamal)
	Home Town (Pantaloon Retail)	Home Centre (Lifestyle)

Source: CRISIL Research

### Market size

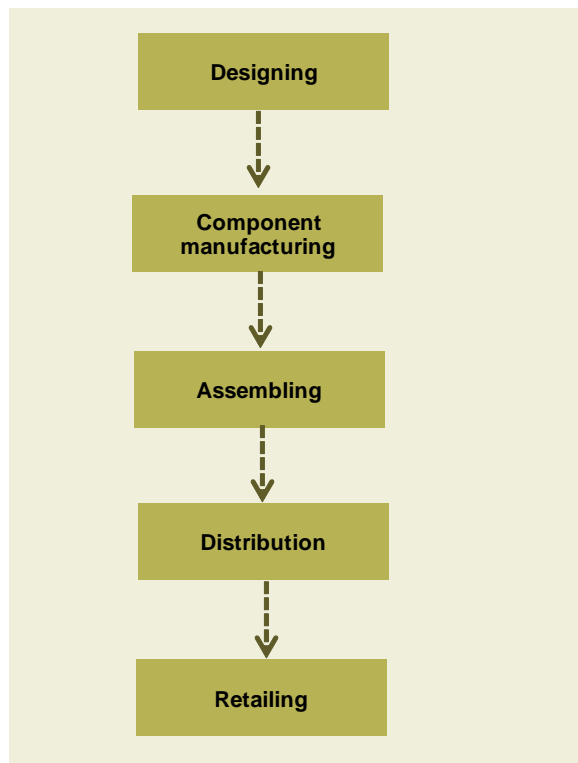
The market size of home decor and furnishings vertical stood at an estimated ₹ 1,014 billion as of 2011-12 constituting approximately 4 per cent of the overall retail market in India. The ORP is the smallest next only to that of food and grocery segment. In 2011-12, only 5.9 per cent of the total home decor and furnishings segment was organised. The market size of organised home and furnishings market was approximately ₹ 60 billion in 2011-12. (Source: CRISIL Research Report)

### Organised wall clock industry

Over the years, with the availability of a wide variety of designs, wall clocks have also come to be used as a home decor item. Generally, premium segment wall clocks are used for decorative purposes. Wall clocks are also a popular gift item in India. (Source: CRISIL Research Report)

### Major stages of activity in wall clock industry

There are 5 major stages of activity in the wall clock industry namely, designing, components manufacturing, assembling, distribution and retailing (Source: CRISIL Research Report).



Source: Industry, CRISIL Research Report

### Industry structure

Clocks can be broadly classified into the following categories – wall clocks, tower clocks and table clocks. Wall clock is the largest segment constituting approximately 70 per cent of the total clock industry. In terms of the industry structure, the domestic wall clock industry is largely organised. In absolute terms, 70-75 per cent of the industry is organised with Ajanta Limited (now known as Orpat) being the largest player. Other organised wall clock manufacturers are Opal Clocks, Kaizer, Woodcraft, etc. Many wall clock manufacturers have their manufacturing facility at Morbi, Gujarat. Wall clocks can be either musical or non-musical. About 90 per cent of the total wall clocks manufactured in India are analog and only 10 per cent are digital. (CRISIL Research Report)

### Materials used

Wall clocks are made using different materials like plastic, glass, metals, wood, marble, granite, etc. However, plastic and wood are the most commonly used materials. Other materials like marble, granite, crystal, etc are primarily used for making premium segment wall clocks, reflective of ongoing trends in the home décor industry. (Source: CRISIL Research Report)

### Price segment

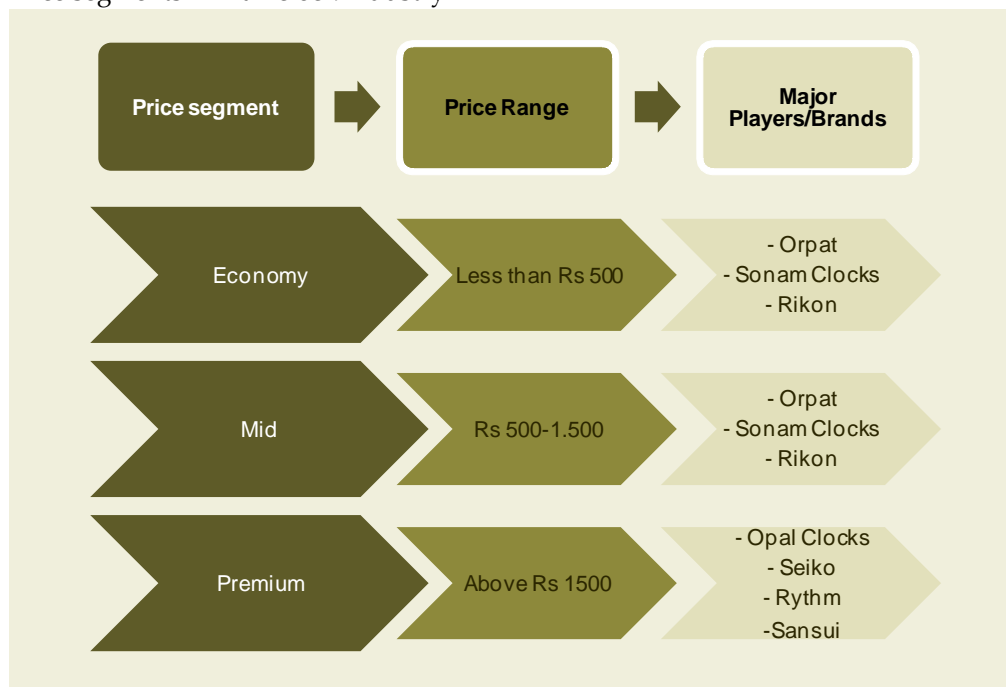
Wall clocks are available in a wide price range. On the basis of price, the industry can be broadly classified into three categories:

1. **Economy** segment wall clocks are priced below ₹ 500. In terms of volumes, this is the largest selling segment and contributes 45-50 per cent of total wall clock sales. Some of the major organised players offering economy clocks are Orpat, Sonam Clocks and Rikon.
2. **Mid** segment wall clocks range between ₹ 500 to ₹ 1,500. Some of the major organised players offering mid-price clocks are Orpat, Sonam Clocks and Rikon.

3. **Premium** segment wall clocks are priced above ₹ 1,500. Some wall clocks in this segment even cost a few lacs of rupees depending upon the material used and quality and antiqueness of work. However, the highest selling wall clocks in volume terms generally range between ₹ 2,500 and ₹ 5,000. It is one of the fastest growing segments and includes wall clocks used for decorative purposes. Some of the major organised players offering premium wall clocks are Opal, Seiko, Rhythm, Sansui, etc.

(Source: CRISIL Research Report)

Price segments in wall clock industry



Source: Industry, CRISIL Research Report

Economy segment wall clocks are expected to dominate the rural areas. Urban areas, on the other hand, tend to use more of mid and premium segment wall clocks. In addition, wall clocks are looked upon more as a necessity in rural areas vis-a-vis urban areas therefore as compared to a wrist watch; wall clocks are estimated to have higher penetration in rural areas (Source: CRISIL Research Report).

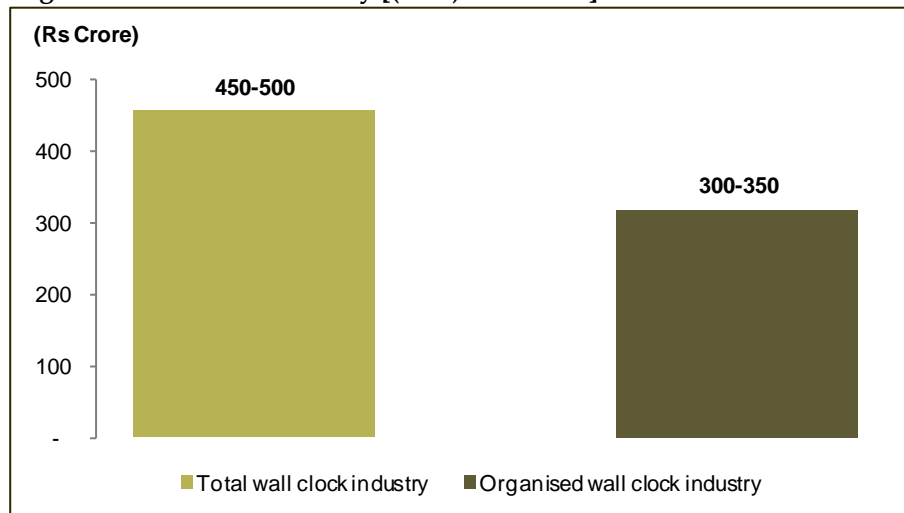
### Market size & outlook

The market size of overall wall clock industry is estimated at ₹ 450-500 crores as of 2011. The organised wall clock segment is estimated at ₹ 300-350 crores during the same period. Over the next 5 years (2011 to 2016), the organised wall clock segment is expected to clock a CAGR of 12-15 per cent. Future growth will be largely driven by rising income levels and growth of organised retail. However, there is an inherent risk to future wall clock demand. Availability of multi-purpose (like photo album cum table clock) and portable clocks has induced a trend of shift in demand from wall clocks to table clocks. Moreover, with increase in working population and more women joining the work force, people are spending lesser time at home thereby inducing a demand shift for wrist watches. (Source: CRISIL Research Report)

At present, over 90 per cent of retailing happens through the traditional route (shops) however, the online channel is fast gaining prominence and this presents a significant growth avenue for the industry due to the convenience it offers, reach and 24/7 availability. Hence, online retailing is expected to spearhead future wall clock demand in future. (Source: CRISIL Research Report)



### Organised wall clock industry [(2011) Estimated]



Source: CRISIL Research Report

### Export & Import

The Indian wall clock industry is dominated by domestic demand. When compared with the size of the total domestic wall clock market, both exports and imports are significantly small. In 2011-12, India exported about 3.9 million units of wall clocks at an estimated ₹ 49.1 crores. Major export destinations for wall clocks are UAE, Egypt, Iran, Ukraine, Iraq and Saudi Arabia. During 2011-12, India imported about 3.1 million wall clocks at an estimated ₹ 17.6 crores. (Source: CRISIL Research Report)

### Demand drivers of home decor & furnishings and wall clock segments

#### Demographic changes

##### Growing urban population - Key to future spending

Urbanisation has been increasing at 2.7 per cent over the last 10 years. According to the Census estimates of 2001, urban population as percentage of total population stood at 27.7 per cent. This is expected to increase to 32.2 per cent by 2015, indicating a growth of 2.4 per cent between 2000 and 2015 (Source: CRISIL Research Report).

##### Employed youth to influence consumer spending

The section of the population in the age bracket of 18 - 45 years accounts for a majority of the retail spenders. According to the Census estimates of 2001, 66 per cent of an estimated 740 million Indians in the 18-45 age bracket are in the less than 35 years age bracket. Further 50 per cent of the Indians in the 18-45 age group are in the less than 25 years age bracket. This indicates that going forward, this section of the population will largely influence consumer spending. (Source: CRISIL Research Report)

##### Nuclearisation of families to drive consumption

Nuclear families have a greater propensity to spend; hence their per capita consumption is higher. In the recent past, the number of nuclear families as a percentage of total household population has increased. This is evident from the fact that the average household size of the country has come down to 5.08 in 2011 from 5.57 in 1991, as per CRISIL Research estimates (Source: CRISIL Research Report).

## **Income changes**

### **Rising income levels to drive consumption**

The disposable income levels of Indian consumers have increased significantly between 2001-02 and 2010-11. The share of households with low income levels has fallen over the years, while the share of those falling in the higher income brackets is on the rise. Households with income between ₹ 1 lac and ₹ 5 lacs have grown at a CAGR of 9 per cent, while those between ₹ 5 lacs and ₹ 10 lacs have grown at a CAGR of 12 per cent between 2001-02 and 2010-11. Likewise, households with income of over ₹ 10 lacs have registered a CAGR of 15 per cent during the same period. Going forward, we expect favourable demographics to drive consumption growth (Source: CRISIL Research Report).

### **Shift in consumption pattern**

#### **Desire for better standard of living to drive non-food consumption growth**

With rising income levels demand for non-food products have increased significantly. While food items include cereals, pulses, beverages, sugar, spices, vegetables etc., non-food items comprise footwear, clothing and bedding, fuel and light, consumer durable goods etc. Non-food expenditure, which was 52 per cent of the urban household expense in 1999-2000, has increased to 59 per cent in 2009-10. With increasing penetration of the media, consumer awareness has been improving even in the country's rural areas, leading to an increase in non-food expenses.(Source: CRISIL Research Report)

#### **Increasing retail penetration and FDI in retail**

Over the past few years, growth of organised retail has played a major role in demand growth of both home decor and wall clock segments. Growth of modern retail has aided increased spending on lifestyle categories like furniture & furnishings, wall clocks and other home decor items. Better store layouts, ambience and eye catching visual merchandising are some of the factors that prompt consumers to shop more and even impulsively at times. Advent of malls and retail stores has played a major role in the growth of the premium segment of wall clocks as well (Source: CRISIL Research Report).

The Cabinet, on September 15, 2012, permitted 51 per cent FDI in multi-brand retail, subject to a number of riders. This proposal had earlier been cleared on November 24, 2011 but the decision was put on hold due to political opposition. FDI funded retail companies will be allowed to operate stores only in those states which have agreed to allow foreign investment in retail. So far only nine states and two union territories have agreed to allow foreign investments in retail. The amount of FDI inflows that India can attract over the next 5 years would be limited by the number of states in which FDI is permitted (Source: CRISIL Research Report).

CRISIL Research expects this to result in an investment of \$2.5-\$3.0 billion in the retail sector over the next five years, primarily into the food & grocery (F&G) vertical. Capital expenditure in the back-end supply chain will receive a boost given the mandatory 50 per cent investment clause. If all states permit FDI, CRISIL Research believes that ORP will increase to 10 per cent by 2016-17. Currently, only 9 states and 2 union territories have agreed on foreign investment in retail (Source: CRISIL Research Report).

### **Shift in Indian consumer's mindset for wall clocks**

The mindset of the Indian consumer has undergone a major shift in the last few years.

#### **Shift from basic necessity and gift items to home décor accessory**

Initially wall clocks were perceived more as a basic necessity for timekeeping. Wall clocks were also a favourite gift article for weddings and other occasions. With increased income and aspiration levels, people have become more conscious about their home decor. New age consumers aspire to buy

different designs and brands in order to match to their home decor. New age consumers also aspire to upgrade to higher price segments. From mere gifting on occasions, the trend has shifted to self indulgence (Source: CRISIL Research Report).

### **Growing trend of ownership of multiple wall clocks**

Earlier, the number of wall clocks was restricted to 1-2 per house. Today, many houses have a wall clock in every room. Owning of many wall clocks has been one of the key drivers for the growth in the wall clock industry in India. Replacement demand for wall clocks is another growth driver. When compared to a wrist watch, wall clocks are more economical and therefore the replacement cycle of a wall clock is shorter than that of a wrist watch. On an average the replacement cycle of a wall clock is about 4 years (Source: CRISIL Research Report).

### **Increased awareness and brand consciousness**

With wall clocks being used for home décor, the premium segment is one of the fastest growing segments. Technological advancement has also resulted in the addition of new features in an otherwise timekeeping device is also a key growth driver for the industry. Wall clocks are available in a wide variety of materials, shapes and sizes. This is also a key reason for owning many wall clocks (Source: CRISIL Research Report).

### **DISCLAIMER TO THE CRISIL RESEARCH REPORT**

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## BUSINESS OVERVIEW

### Overview

We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under two brands: our flagship premium brand 'Opal' and budget brand 'Caliber'. Currently, we offer a large & diverse range of clocks at various price points across budget, mid-level and premium styles. As on December 2012, we are offering 109 styles of clocks under our 'OPAL' brand with MRP starting from ₹ 1,450 and going upto ₹ 27,500 with an average MRP of ~ ₹ 4,275 and a median MRP of ₹ 3,750. Additionally, as of December 2012, we have 31 styles of clocks under 'Caliber' brand with average MRP of ~ ₹ 370.

Our Company was incorporated as a private limited company in the year 2007 and is headquartered in Pune and currently has a manufacturing facility in the industrial area of Roorkee, Uttarakhand. We primarily operate in the market of premium clocks, with in-house expertise in designing complemented by quartz technology. Our facility for manufacturing of clocks is based at Roorkee, Uttarakhand measuring 8,133 sq. ft where all manufacturing and other peripheral activities are carried out. Apart from our Roorkee Unit, we have our warehouses located at Pune and Navi Mumbai.

Our brand 'Opal' has a wide presence with the products marketed by a network of 9 distributors, 242 dealers and 91 organised retailers which includes popular brands such as Shoppers Stop, Home Town, etc. We have also ventured into online sales by way of popular online shopping portals and currently have tie ups with 10 online portals and also have our own shopping portal at [www.opalclocks.com](http://www.opalclocks.com). We have recently started exporting both our brands, 'Opal' and 'Caliber', to the United States.

In FY 2012, our total income was ₹ 1,730.63 lacs and earned a net profit, as restated, of ₹ 288.72 lacs.

Particulars	Six months ended September 30, 2012	FY 2012	FY 2011	FY 2010	CAGR* (in %)
Revenue from operations	957.32	1,721.53	1,689.51	1,078.43	21.09%
Net profit, as restated	136.84	288.72	224.53	144.22	23.80%
PBDIT	219.48	475.52	344.36	242.53	21.87%

\*CAGR means calculating a year-over-year growth rate over a specified period of time and it has been computed by annualising the financial information for the six months ended September 30, 2012

### Competitive Strengths

We believe that the following are our principal competitive strengths:

#### *Established brand*

We believe that we have established 'Opal' as a brand which reflects quality, service and a distinctive design in a largely unorganised market. With 'Opal', we aim to majorly incorporate an elegant design element and a premium appeal to our products matched with technology and brand attachment. Our established brand has enabled us to tap additional selling platforms like organised retail, e-commerce, gift shops, crockery stores, etc.

We believe that the experience of buying and using an Opal product is unique because of the distinctive service provided from the time of purchase of the product and continuing thereafter, thereby reinforcing the essence of the brand.

We believe that, having an established brand provides us an opportunity to enter into new product categories.

#### *Multiple sales-channels*

We believe that our growth over the years is largely owing to our ability to leverage multiple sales-channel viz distributors & dealers, organised retail, e-commerce, etc. In addition, we believe that we have been one of the pioneers in extending our distribution network beyond the traditional modes of watch & clock trade. These channels include departmental stores, hypermarkets, gifts shops, home décor stores, furniture stores, crockery dealers, etc. Presently, we market our product line through 333 counters and 11 online shopping portals.

#### *Lean Business Model*

Our business model is focused on product designing, marketing and brand building. Hence, our investments are limited to that in moulds, in-house assembling facilities and working capital. We believe that our focus on product designing has helped us to roll-out new products on a regular basis. Certain manufacturing processes are delivered by third-party vendors who form an integral part of the entire process. We have an in-house 4-member product-design-team whose expertise is key to our designing process and who are also supported by free-lance designers to design products based on current trends. Strong product development with contemporary designs and a regular roll-out of new products has helped us to grow rapidly in a short span of time.

#### *Diverse products*

We offer a diverse product mix which varies with the following parameters:

- Price range for Opal (between ₹ 1,450 to ₹ 27,500) and for Caliber (between ₹ 180 to ₹ 690)
- Mould-component-make (wood, metal, acrylic, glass, etc.), and
- Styles (statue, table, digital, contemporary, etc).

Such diverse product mix helps us in catering to diverse customer segments. As on December 2012, we were offering 140 styles of clocks jointly, under both our brands. We believe that our ability to translate latest fashion trends into actual clock designs differentiates us over our competitors. We believe that with our diverse product mix, we have transformed the clock from a mere timepiece to a piece of art.

#### *Experienced Management Team*

Our Company is managed by a team of professionals who have been successful in bringing in a right blend of youth and experience. We believe we have a strong and experienced management including our key managerial personnel some of whom have been working with us since incorporation. We believe that our management team has played a vital role in the growth of our business and in the development of consistent procedures and internal controls. Our management, supported by capable employees, will continue to be an important driver for growth and success in our business activities.

### **Business Strategy**

The key elements of our business strategy are as follows:

#### *Further developing our selling network*

We believe that we have developed multiple sales-channels which can be further leveraged to increase penetration in Metro, Tier I and Tier II cities and towns in India. As part of our growth strategy, we intend to ensure individual sales & distribution networks for our premium and budget brands. We further want to develop alternate sales channels like B2B sales through tie-ups with interior designers, real estate developers and high-end bathroom fittings stores and also expand the existing channel amongst the crockery stores, gift stores as well as e-commerce shopping portals to increase our reach to the potential consumers. Our network expansion plans are aimed at not only

increasing sales volumes, but also enabling us to consolidate our position as a premium home décor products manufacturing and marketing Company by increasing our brand visibility, geographical presence and market share.

#### *Continue to invest in brand-promotion*

We seek to allocate significant resources in positioning 'Opal' as a premium brand associated with quality and elegant design. Our branding plan comprises of activities including online marketing, electronic media, print media, outdoor and event & sponsorship. According to CRISIL report, the Indian consumer mindset for wall clocks has shifted from being a basic necessity and gift items to home decor accessory and has led to increase awareness and brand consciousness. Therefore we believe that investment in brand is essential to increase our brand-recognition & market-share and also help us capitalise on the growing consumer preference for branded products. For this purposes, we propose to utilise [●]% from the Net Proceeds of the Issue amounting to ₹ 390.50 lacs, towards promotion of our 'Opal' brand. For further information please refer to the chapter titled "*Objects of the Issue*" beginning on page 60 of the Red Herring Prospectus. In addition to our brand-promotion, we plan to continue to educate our distributors and other channel partners with our product-line and help them to sell our products to the customers more effectively, by way of popular channels like in-shop marketing activities such as creating brand-specific display counters at retail stores.

#### *Capacity Expansion and Import Substitution*

Currently, we have been able to successfully procure and meet our existing requirement of clock components through import from far-east countries as well as those made domestically. However, as economies of scale increases, we intend to plan a gradual shift and substitute imported components by backward integrations into investing in moulds and dies. We propose to utilise [●]% from the Net Proceeds of the Issue amounting to ₹ 1,029.95lacs, towards capacity expansion and import substitution. For further information, please refer to the chapter titled "*Objects of the Issue*" beginning on page 60 of the Red Herring Prospectus. We believe that this will help us in reducing our working capital requirements on account of lesser lead-time; reduction in raw material costs and thus increasing our profit margin. Hence, this shall also partially mitigate our foreign exchange conversion risks.

#### *Development of new product categories*

We believe that there are many product categories in India which have low entry-barrier for branded products where customers also tend to associate such brands with high quality. We plan to launch products in new categories in a phased manner with focus on replicating the success of wall-clock product-line with brand 'Opal' to maximise the success of these new category products.

### **Our Products**

Currently, our product range consists of 140 exclusive clocks styles jointly with different mould-component makes including wood, steel, glass and acrylic. These styles are marketed and sold under two main brands: 'Opal' and 'Caliber'.

#### OPAL

We have identified a market with demand for premium clocks which complement the home and office aesthetics. Under the brand 'OPAL' we offer premium wall and table clocks for design-conscious consumers who consider our clocks as a home decor accessory. As on December, 2012, we have 109 styles marketed under the 'Opal' brand priced in the range of ₹ 1,450 and ₹ 27,500. The 'Opal' umbrella brand is further divided into 6 categories, each with its own unique attributes. The following table sets forth the key details in relation to the 'Opal' umbrella brand, and our current categories and products as of December, 2012:



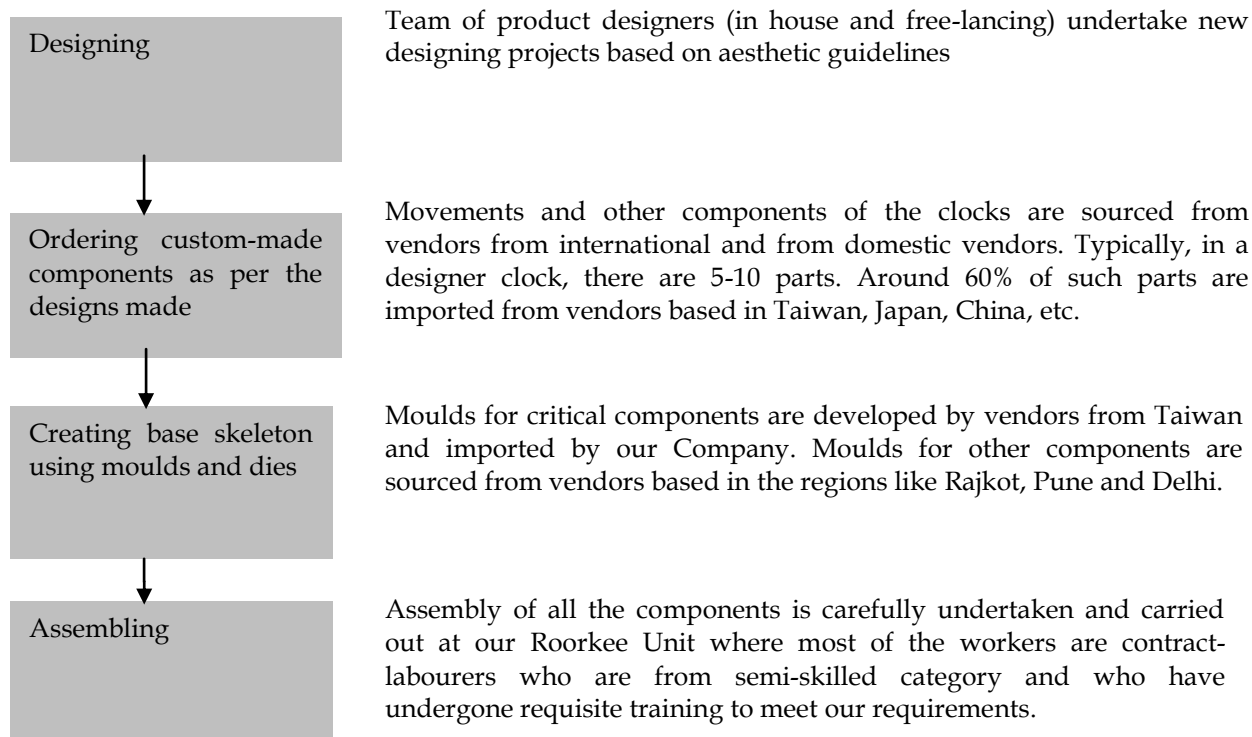
Category	Number of styles as on December 2012	Description	Current MRP
Mystique	15	Statuesque timepieces and sculpted clocks with oscillating pendulums	₹ 2,350 to ₹ 9,250
Panache	63	Sleek city wall clocks designed for corporate board rooms and living rooms	₹ 1,750 to ₹ 6,500
Cyber	11	Digital clocks designed for appealing to modern home décor	₹ 1,450 to ₹ 7,750
Grandeur	15	Wall-Clocks with pendulum movements and chime clocks with melodious tunes	₹ 3,250 to ₹ 14,500
Eternity	4	Majestically designed table clocks	3,950 to ₹ 5,750
Signature	1	High-end exclusively designed clocks	₹ 27,500
<b>Total</b>	<b>109</b>		

### CALIBER

The 'Caliber' range of wall clocks is designed for the budget-conscious consumers. This class of wall-clocks is aimed for high volume realisations and where the clock styles are priced at a maximum price of ₹ 690 acting as a major demand driver.

### **Our Business Operations**

Our business operations broadly involve the following:



Our product Development processes focus on choices and preferences of each of the segments of our target customers, as well as identification of latest fashion trends in home décor and explore all possible schemes to translate these trends into actual products, in our case, clock designs. A team of product designers (in-house and free-lancers) undertake new designing projects based on aesthetic guidelines as set-out by our product designing team and which is based on current fashion trends in parameters like mould-component make, colours, designs and themes.



## Manufacturing

While we design our products in-house, we contract with vendors based in India, Japan, China and Taiwan to manufacture our clock components like clock movements, cases, dials, hands, melody-motion, kits, pendulum, etc. These vendors custom-make the components based on the designs and technical specifications as per our requirement. We select vendors on a case to case basis, based on parameters such as manufacturing capacity, ability to undertake scale manufacturing, technical capability to implement designs and their reputation. These components are then transported to our Roorkee Unit and then assembled as per our designs.

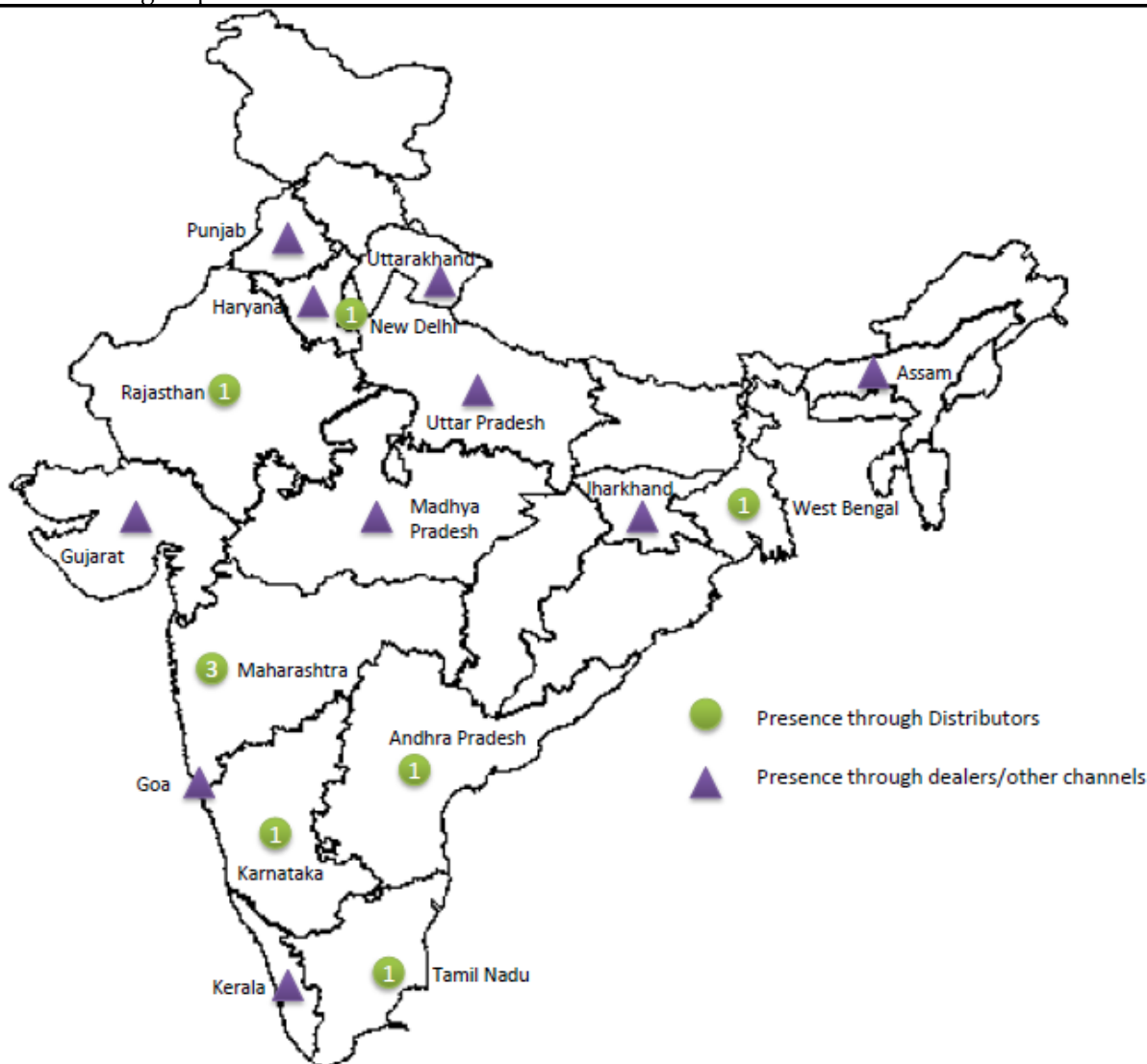
## Distribution

We have a network spread across with a total of 9 distributors who in turn supply the products to 242 dealers across India. This widespread network ensures an optimum supply of our products across our key markets in India. We also market and sell our products through organised retail formats. We currently market our product-line through 91 retail counters in run by major organised retailers, across India, which include Shoppers Stop Limited, Pantaloon Retail India Limited. We also sell our products both domestically as well as to foreign through online sales through 11 portals.

## Statewise geographical presence

We have our distribution network across India through nine distributors spread across seven states.

The following map shows our distribution network in India.



Number in green circle indicates number of distributors in the respective state.  
The map and its boundaries are for illustrative purposes and may not represent actual international boundaries.  
Map not to scale.

## Selling and Marketing

Sales and marketing plays an important role in the success of our Company. We have a dedicated sales team & marketing personnel consulting of five sales executives, two sales managers and led by our National Sales Manager. Our Company lays emphasis on branding and hence we focus on marketing through dedicated product displays in various retail outlet formats such as watch and clock stores, gift stores, departmental stores, hypermarkets and home décor stores. The strategy of dedicated product display counters play an important role in creating a 'pull' demand for our product as well as helps in increasing the Brand equity of our products. We have also developed a visual display panel which helps us in marketing through our dealers, retailers and distributors. In this format, the wall space is provided by the respective dealer/retailer/distributor at their store to the company where our Company is allowed to setup this panel to showcase our products. Our sales & marketing team is also responsible for selecting dealers on the basis that it does not dilute the brand value and reputation of our brands and the goodwill of our Company.

## Competition & Quality Control

We operate in a competitive environment. We primarily compete with players engaged in manufacturing clocks. Further, we also face competition from other premium home décor manufacturing companies. Our industry sees a variety of competitors ranging from large number of fragmented and unorganised small players in niche segments to a few large, well established players in the organised market including players like Sieko, Rhythm, etc. Recently, marketing in this space has also become very competitive owing to import of clocks from countries like China, etc. The demands on companies operating in our sector are further enhanced by the lack of technology available domestically. We believe that our sourcing of clock components from Taiwan, etc and our reliability combined with our quality consciousness give us a competitive advantage over our competitors. We mainly face competition on factors such as quality and designs and hence, our Company focuses on maintaining the quality of its products and introducing new & innovative designs to sustain the competition. We believe that our key competitive strengths will help us grow in future and will enable to perform better, once the proposed projects are implemented.

## Insurance

Our Company maintains insurance coverage against various risks inherent to our business activities, including property damage caused by fire, transit, etc. that may result in physical damage or destruction or other kind of losses to our equipment, assets and stocks. Our Company has obtained insurance policies for accidental coverage against fire & perils, inland transit risks, burglary and for risks related to equipment, assets, stocks etc. Although we consider that our insurance coverage is of varied nature, adequate level and is economically prudent, we cannot assure that we will maintain insurance coverage at the rate which is considered commercially reasonable or that our insurance coverage will be adequate to cover any and all claims that may arise. On the whole, we generally maintain insurance coverage which covers our assets and operations at levels that we believe is adequate for our business.

## Human Resources management

As on February 28, 2013, our manpower consists of a work force of 105 full-time employees which include technical as well as administrative and employees. Following is a table depicting the employees wrt to the department and place of work.

Sr. No.	Department	Total
1.	Management	7
2.	Production and Design	22
3.	Sales and Service	67

Sr. No.	Department	Total
4.	Human resources and admin	5
5.	Finance and accounts	4
	<b>Total</b>	<b>105</b>

### Immovable Property

Our Company does not own any property. The following table sets forth the significant immovable properties used by our Company on lease / leave & license basis, as on the date of the Red Herring Prospectus:

#### Summary of immovable properties used by our Company

Sr. No.	Particulars of the property, its description and area	Nature of right granted	Tenure/Term of right granted	Existing usage
1.	Plot No. 5 & 6, Ramnagar Industrial Estate, Roorkee, Uttarakhand admeasuring 8,133 sq ft.	Lease	Five years from December 01, 2009	Industrial
2.	First floor, Shree Ganesh, Plot no 31, Shivaji Co-operative Housing Society, Senapati Bapat Road, Pune - 411 016, Maharashtra admeasuring 1,500 sq. ft.	Leave & License	36 months from February 01, 2013	Registered Office
3.	Ground Floor, Apartment No. 70, SS-2 Type, Sector-2, Vashi, Navi Mumbai - 400 703, Maharashtra	Leave & License	36 months from May 01, 2011	Warehouse
4.	House number 2944, Sr. number 144, Urali Devachi, At post, Phursungi - 412 308, Taluka -Haveli, District - Pune, Maharashtra admeasuring 850 sq. ft.	Leave & license	May 01, 2010 to April 30, 2013	Warehouse

### Intellectual Property

The following is a summary of the intellectual properties used by our Company, as on the date of the Red Herring Prospectus:

#### Summary of trademarks used by our Company

Sr. No.	Trademark	Class	Trademark Registration No.	Validity		Status
				From	To	
Trademarks registered in India under Trade Marks Act, 1999 with Trade Marks Registry, Mumbai						
1.	Caliber (word mark)	14	836816	January 14, 1999	January 14, 2019	Registered*
2.	Caliber (word mark)	09	836815	January 14, 1999	January 14, 2019	Registered*
3.	Opal (word mark)	09	683172	October 11, 1995	October 11, 2015	Registered**
4.	Opal (logo)	14	1163742	January 02, 2003	January 02, 2023	Registered**
5.	Opal (diamond logo)	14	1163743	January 02, 2003	January 02, 2023	Registered**
6.	Opal (word mark)	25	1502815	November 09, 2006	November 09, 2016	Registered**

Sr. No.	Trademark	Class	Trademark Registration No.	Validity		Status
				From	To	
Trademarks registered in India under Trade Marks Act, 1999 with Trade Marks Registry, Mumbai						
7.	Opal (word mark)	18	1502814	November 09, 2006	November 09, 2016	Registered**
Trademarks registered in USA with United States Patent and Trademark Office						
8.	Opal (logo)	14 (US. CLS. 2, 27, 28 and 50)	3939004	March 29, 2011	March 28, 2021	Registered***
9.	Opal (word mark)	14 (US. CLS. 2, 27, 28 and 50)	4046117	October 25, 2011	October 24, 2021	Registered***

\*Assigned by Mrs. Pratibha Gujar vide Assignment Deed dated November 17, 2012 for ₹101. An application has been filed with the Trade Marks Registry, Mumbai for registration of our Company as the subsequent proprietor to these trademarks, with w.e.f. November 17, 2012.

\*\*Assigned by Mr. Subhash Gujar & Mr. Nagesh Mahindrakar vide Assignment Deed dated November 17, 2012 for ₹100 lacs. The consideration for the same has been paid by our Company in various tranches since April 01, 2007 in terms of the Memorandum of Understanding dated April 01, 2007 subsequent to which the said Assignment Deed was executed. An application has been filed with the Trade Marks Registry, Mumbai for registration of our Company as the subsequent proprietor to these trademarks, with w.e.f. November 17, 2012.

\*\*\*Assigned by Mr. Subhash Gujar vide Trademark Assignment Agreement dated December 15, 2012. The same has been recorded by the Assignment Recordation Branch of the United States Patent and Trademark Office December 18, 2012 for assigning the entire interest in favour of our Company. Our Company has not paid any consideration for the same.

#### Summary of pending trademark application by our Company

Trademark	Class	Trademark Registration No.	Date of application	Status
<b>Trademarks registered in India under Trade Marks Act, 1999 with Trade Marks Registry, Mumbai</b>				
Caliber	16	836817	January 14, 1999	Opposed***

\*\*\*Assigned by Mrs. Pratibha Gujar vide Assignment Deed dated November 17, 2012 for ₹101. An application has been filed with the Trade Marks Registry, Mumbai dated November 21, 2012 for amendment of the name of the applicant name in this application to "Opal Luxury Time Products Limited" as the applicant to this trademark.

For details on payments made to related parties for assignment of intellectual property rights, please refer to the Annexure - XXXI titled "Statement of Related Parties Transactions, As Restated" under the chapter titled "Financial Statements" beginning on page 136 of the Red Herring Prospectus.

## KEY INDUSTRY-REGULATIONS

*We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under two brands: our flagship premium brand 'Opal' and budget brand 'Caliber'. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. The statements below are based on the current provisions of laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*For details of government approvals obtained by us, please refer to the chapter titled "Government and Other Approvals" beginning on page 189 of the Red Herring Prospectus.*

### ***The Legal Metrology (Packaged Commodities) Rules, 2011 ("Rules")***

The Act aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made there under, lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. Further, it specifies that all packaged form commodities before they are sold, distributed or delivered should have certain declarations in relation to the name and address of the manufacturer or in case if the manufacturer is not the packer then name and address of the packer and the retail sale price to be labelled on the packaged commodity. The Act and rules formulated there under regulate inter alia inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

## **ENVIRONMENTAL LAWS**

Manufacturing projects must ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Act**") as amended, the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") as amended, and the Environment Protection Act, 1986 ("**Environment Act**") as amended. Water Act aims to prevent and control water pollution. It provides for the constitution of a Central Pollution Control Board ("**CPCB**") and State Pollution Control Boards ("**SPCBs**").

The functions of the CPCB include coordination of activities of the SPCBs, collecting data relating to water pollution and the stipulation of measures for the prevention and control of water pollution and prescription of standards for streams or wells. The SPCBs are responsible for the planning for programs for, among other things, the prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluents into a stream, well or sewer without the prior consent of the relevant SPCB.

The CPCB and the SPCBs constituted under the Water Act are to perform functions under the Air Act for the prevention and control of air pollution. The Air Act aims to prevent and control air pollution. It is mandated under the Air Act that no person may, without the prior consent of the relevant SPCB, establish or operate any industrial plant in an air pollution control area.

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

The Environment Act has been formulated by the GoI for the protection and improvement of the environment in India and for matters connected there with. The Environment Act is an umbrella

legislation designated to provide a framework for the GoI to co-ordinate activities of various state and central authorities established under previous environmental laws. The scope of the Environment Act is very broad with the term “environment” being defined to include water; air and land; human beings; and other living creatures, plant, micro-organisms and property.

The Environment Act vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. The Environment Act also prohibits any person carrying on any industry, operation or process from discharging or emitting or permitting to be discharged or emitted any environmental pollutants in excess of such standards as may be prescribed.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of boards for the prevention and control of water pollution, for conferring on and assigning to such boards powers and functions relating thereto and for matters connected therewith. The Water Act defines “pollution” as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act envisages establishing a Central Pollution Control Board as well as State Pollution Control Board for prevention and control of water pollution.

Accordingly, the previous consent of the board constituted under the Water Act must be obtained, for establishing or taking steps to establish operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land. Such previous consent is required for bringing into use any new or altered outlet for the discharge of sewage or for the new discharge of sewage. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Water Act and such other authorities or agencies as may be prescribed.

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

Pursuant to the provisions of the Air Act, as amended, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Boards required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the SPCBs. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the State Government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the SPCB.



Under the Air Act, the Central Pollution Control Board has powers, *inter alia*, to specify standards for quality of air, while the SPCBs have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

### ***Hazardous Waste (Management and Handling) Rules, 1989 ("Hazardous Waste Act")***

The Hazardous Waste Act defines waste oil and oil emulsions as hazardous wastes and imposes an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. The Hazardous Waste Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant SPCB for collecting, storing and treating the hazardous waste. The occupier, transporter and operator's liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective SPCBs. Penalty for the contravention of the provisions of the Hazardous Waste Act includes imprisonment up to five years and imposition of fines as may be specified in the Environment Act or both.

### ***Public Liability Insurance Act, 1991 ("Public Liability Act")***

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

## **LABOUR LAWS**

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

### ***Factories Act, 1948 ("Factories Act")***

The Factories Act defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed there under, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to ₹ 100,000 or both,



and in case of such violation continuing after conviction, with a fine of up to ₹ 1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹ 25,000 in the case of an accident causing death, and ₹ 5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be ₹ 200,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹ 35,000 and ₹ 10,000 respectively.

### *The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")*

The MSME Act is for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. The MSME Act provides a statutory, consultative mechanism at the national level with balanced representation of all sections of stakeholders and with a wide range of advisory functions. The MSME Act also establishes specific funds for the promotion, development and enhancing competitiveness of the micro, small and medium enterprises, notification of schemes, effective ways for mitigating the problems of delayed payments to micro, small and medium enterprises etc. In pursuant to Section 8 of the MSME Act, Any person who intends to establish a micro or small enterprise or a medium enterprise engaged in providing services or a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified under the first schedule to the Industries (Development and Regulation) Act, 1951 shall file a memorandum of micro or small or, as the case may be of medium enterprise with such authority as may be specified by the State Government or the Central Government. Or if any person has established a micro, small and medium enterprises before the commencement of the Act shall within one hundred eighty days from the commencement of the Act shall file the memorandum, in accordance to the provisions of the MSME Act. Whoever intentionally contravenes or attempts to contravene or abets the contravention of the above mentioned Section shall be punishable in case of the first conviction, with fine which may extend to ₹ 1000 and in case of second or subsequent conviction shall be punishable with fine which shall not be less than ₹ 1, 000 but may extend up to ₹ 10,000.

### *State specific Shops and Commercial Establishments Acts as applicable*

Under various state laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and has to comply with certain rules laid down therein. These statutes and rules and regulations framed there under regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages, maintenance of records and registers by the employers, among others.

### *The Employees State Insurance Act, 1948 ("ESI Act")*

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing twenty or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.

A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

The ESI Act does not apply to the following:

- i. Factories working with the aid of power wherein less than ten persons are employed;
- ii. Factories working without the aid of power wherein less than twenty persons are employed;
- iii. Seasonal factories engaged exclusively in any of the following activities viz. cotton ginning,

- cotton or jute pressing, decortications of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
- iv. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
  - v. Mines subject to the Mines Act, 1952;
  - vi. Railway running sheds;
  - vii. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 10,000 per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

#### ***Payment of Gratuity Act, 1972 ("Gratuity Act")***

Under the Gratuity Act, an employee in a factory is deemed to be in 'continuous service' for a period of at least two hundred forty days in a period of twelve months or one hundred twenty days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee.

An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed ₹ 3,50,000.

#### ***Payment of Bonus Act, 1965 ("Payment of Bonus Act")***

Under the Payment of Bonus Act, an employee in a factory who has worked for at least thirty Working Days in a year is eligible to be paid bonus. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company.

The minimum bonus to be paid to each employee is 8.33% of the salary or wage or ₹ 100, whichever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. Contravention of the Payment of Bonus Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹ 1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

#### ***Minimum Wages Act, 1948***

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the official gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to ₹ 500.

### ***Workmen's Compensation Act, 1923 ("Workmen's Compensation Act")***

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman wilfully disobeyed safety rules. Where death results from the injury the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is ₹ 228.54 for a worker aged sixteen years) or ₹ 80,000 whichever is more. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or ₹ 90,000 whichever is more. The maximum wage which is considered for the purposes of reckoning the compensation is ₹ 4,000. On December 01, 2009, the Indian Parliament passed the Workmen's Compensation Amendment Bill, 2009, which broadens the scope of the Workmen's Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least twenty employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Under the Workmen's Compensation Act, it is obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

### ***Payment of Wages Act, 1936 ("Payment of Wages Act")***

The Payment of Wages Act regulates the period and payment of wages, overtime wages and deductions from wages and also regulates the working hours, overtime and weekly holidays of certain classes of employed persons. It requires the person responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made thereunder. The Act also contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorised deductions.

### ***Employees (Provident Fund and Miscellaneous Provisions) Act, 1952 ("EPF Act")***

The EPF Act applies to factories employing more than twenty employees and such other establishments and industrial undertakings as notified by the government from time to time. It requires all such establishments to be registered with the relevant state provident fund commissioner. Also, such employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant state provident fund commissioner in addition to the maintenance of registers by employers.

### ***The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA Act")***

The CLRA Act, regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by labourers hired on contractual basis, compliance with the CLRA Act including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund. The CLRA Act regulates the employment of contract labour in certain establishments provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent/ casual work in which twenty or more workmen are/were employed on any day of the preceding 12 months as contract labour ("Establishment");
- To every contractor who employs, or who employed on any day of the preceding 12 months,

twenty or more workmen.

Every Establishment must, within the specified period, apply to the registering officer for registration of the Establishment and obtain a certificate of registration containing such particulars as may be prescribed.

Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a licence issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein.

Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first- aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible. Every principal employer and contractor is required to maintain the prescribed records in respect of the contract labour employed.

#### ***The Contract Labour (Regulation and Abolition) Central Rules, 1971 ("Contract Labour Rules")***

The Contract Labour Rules were formulated to carry out the purposes of the Contract Labour (Regulation and Abolition) Act, 1970 ("Act") which had not been captured. As per the Contract Labour Rules, the application for registration of establishments to which the Act applies shall be made in Form I in triplicate and shall be accompanied by a treasury receipt showing payment of fees. A certificate of registration in Form II containing particulars of the name of the establishment, type of work carried on therein, number of contract labourers employed and other particulars is then issued. Any change in these particulars must be intimated by the principal employer at the establishment within thirty days of such change along with details of such change. Every application for license by the Contractor, made in Form IV, shall be accompanied by a certificate by the principal employer in Form V to the effect that the applicant has been employed by him as a contractor in relation to his establishment. Security as prescribed must also be deposited. Every license granted to the contractor in Form VI is non- transferable and shall contain particulars such as the maximum number of contract labourers employed.

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

The Industrial (Development and Regulation) Act, 1951 was enacted to provide for the development and regulation of certain industries. Under the applicable provisions of the act, the owner of every existing medium industrial undertaking, specifically industries manufacturing goods has to register the existing undertaking with such authority as specified by the State Government or the Central Government.

#### ***The Industrial Employment (Standing Orders) Act, 1946 ("Standing Orders Act")***

The Standing Orders Act requires employers in industrial establishments, who employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by such employer in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed. The standing orders as finally certified under this Act shall be prominently posted by the employer in English and in the language understood by the majority of his workmen on special boards to be maintained for the purpose at or near the entrance through which the majority of workmen enter the industrial establishment and in all departments thereof where the workmen are employed.

### ***The Punjab Industrial Establishment Act, 1965***

The Punjab Industrial Establishment (National & Festival Holidays, Casual & Sick Leave) Act, 1965 and the Rules made there under have been enforced in the National Capital Territory of Delhi w.e.f. January 01, 1974 for the benefit of the employees working at the factories which are registered under Factories Act 1948. As per provisions of this Act, It is the mandatory duty of every employer to allow three National holidays and a minimum of four festival holidays in a year and seven days' casual Leave and 14 days Sick Leave at half pay in a year. A register has to be maintained by the employer containing details of Casual and Sick leave availed by the workers.

### ***Foreign Trade (Development and Regulation) Act, 1992 (The "Foreign Trade Act")***

The Foreign Trade Act was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade.

## **Foreign Investment Regulations**

### *General*

Under the RBI Notification Number FEMA 20/2000-RB dated May 3, 2000 (as amended from time to time), a registered FII is permitted to purchase shares/convertible debentures of an Indian company through public offer/private placement, subject to the FII limits stipulated therein.

### *Foreign direct investment*

Foreign direct investment ("**Foreign Direct Investment**" or "**FDI**") means investment by non-resident entity/person resident outside India in the capital of the Indian company under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended (the "**FEM Securities Regulations**"). The Foreign Investment Promotion Board (Department of Economic Affairs, Ministry of Finance) ("**FIPB**") together with RBI regulates all FDI into India.

Subject to certain conditions and exceptions, FDI in most sectors does not require prior approval of the FIPB, or the RBI, if the percentage of equity holding by all foreign investors does not exceed any specified sector threshold. These conditions include certain minimum pricing requirements, compliance with the Takeover Code, and ownership restrictions based on the nature or origin of the foreign investor.

### *Investment by Foreign Institutional Investors*

The FEM Security Regulations enable foreign institutional investors registered with SEBI, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers ("**Foreign Institutional Investors**" or "**FIIs**"), to make portfolio investments in all securities of listed companies in India. FIIs wishing to invest and trade in Indian securities in India under the FEM Securities Regulations are required under the SEBI (Foreign Institutional Investors) Regulations 1995 ("**FII Regulations**") to register with SEBI and obtain a general permission from the RBI. FIIs may also invest in securities of Indian companies pursuant to the Foreign Direct Investment route

FIIs that are registered with SEBI must comply with the provisions of the FII Regulations. No single FII can hold more than ten per cent of the post-issue total paid-up equity capital of a company. In respect of an FII investing in the shares on behalf of each sub-account shall not exceed ten per cent of the total paid-up equity capital of the company or five per cent of the total paid-up equity capital of a company, in case such sub-account is a foreign corporate or a foreign individual and provided that



such investment is made out of funds raised or collected or brought from outside through normal banking channels and the investment shall also not exceed the overall ceiling specified for FIIs.

The total holding of all FIIs in a company is subject to a cap of 24% of the total issued capital of a company which can be increased up to the percentage of the relevant sectoral cap on FDI in respect of such company with the passing of a special resolution by the shareholders of the company in a general meeting.

Pursuant to a resolution passed by our Board of Directors on October 15, 2012 and subsequently, a resolution passed at the Extra-ordinary General Meeting of our Company held on October 25, 2012, the members of our Company approved investments in the Equity Shares of our Company by Foreign Institutional Investors (FIIs) including their sub-accounts registered with the SEBI, upto an aggregate limit of 49% of the paid-up Equity Share Capital of our Company or upto such limit as may be permitted by law and approved by the Board of Directors of our Company, provided, however that the shareholding of a single FII or a sub-account of an FII, in our Company shall not exceed 10 per cent of the total issued share capital of our Company or such other limit as may be permitted by law and approved by Board of Directors of our Company.

## **INTELLECTUAL PROPERTY LAWS**

### ***Trade Marks Act, 1999 ("Trademark Act")***

The Trade Marks Act governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. Certification marks and collective marks are also registrable under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain.

Applications for a trademark registration may be made for in one or more international classes. The trademark, once applied for, is advertised in the trademarks journal. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored.

### ***The Patents Act, 1970 ("Patents Act")***

The Patents Act is the primary legislation governing patent protection in India. In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent. The Patents Act deems that computer programs per se are not 'inventions' and are therefore, not entitled to patent protection. This position was diluted by The Patents Amendment Ordinance, 2004, which included as patentable subject matter:

1. Technical applications of computer programs to industry; and
2. Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005, does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs *per se* from patent protection. The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the

Patents Act, an invention will be regarded as having ceased to be novel (and hence not patentable), *inter alia*, by the existence of:

1. Any earlier patent on such invention in any country;
2. Prior publication of information relating to such invention;
3. An earlier product showing the same invention; or
4. A prior disclosure or use of the invention that is sought to be patented.

## **TAX LAWS**

### ***Central Excise Act, 1944***

The excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, and it provides for the levy and collection of excise and prescribes procedures for clearances from factory once the goods have been manufactured.

### ***Value Added Tax ("VAT")***

VAT is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Excise Tax Officer of the respective State.

### ***Central Sales Tax Act, 1956***

The tax on sale of moveable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant State law depending upon the movement of goods pursuant to the relevant sale. If the goods move interstate pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods which does not contemplate movement of goods outside the State where the sale is taking place is determined as per the local sales tax/VAT legislation in place within such State.

### ***Income Tax Act, 1961 ("IT Act")***

The IT Act is the law relating to taxes on income in India. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

In accordance with the IT Act, any income earned by way of profits by a company incorporated in India is subject to tax levied on it in accordance with the rates as declared as part of the annual Finance Bill. Companies can also avail certain benefits under the IT Act, if eligible.



## HISTORY AND CORPORATE STRUCTURE

### Brief History of our Company

Our Company was incorporated as Opal Luxury Time Products Private Limited on February 10, 2007 under the Companies Act, 1956 *vide* Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Pune. Further, our Company was converted into a public limited company *vide* Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company November 01, 2012 and the name of our Company was changed to Opal Luxury Time Products Limited. The Corporate Identity Number of our Company is U33309PN2007PLC129597.

### Present business

We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under two brands: our flagship premium brand 'Opal' and budget brand 'Caliber'.

### Changes in the Registered Office of our Company

Our Company's Registered Office is currently situated at 'Shree Ganesh', Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra. Details of changes in the Registered Office of our Company are set forth as under:

From	To	Effective date of change	Reasons for change
Gatt No. 1194/1195, Wadki, Pune Saswad Road, Pune – 412 308, Maharashtra.	1240, Vadu Budruk, Near Koregaon Bhima, Off Pune Nagar Road, Taluka – Shirur, District – Pune – 412 207, Maharashtra.	March 24, 2008	For operational convenience
1240, Vadu Budruk, Near Koregaon Bhima, Off Pune Nagar Road, Taluka – Shirur, District – Pune – 412 207, Maharashtra.	Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune – 411 016, Maharashtra.	June 03, 2010	For operational convenience

### Major Events

Besides raising of capital by way of equity as disclosed in the chapter titled "*Capital Structure*" beginning on page 48 of the Red Herring Prospectus, some other landmark events in the history of our Company are as below:

Year	Milestone
2007	Company incorporated as Opal Luxury Time Products Private Limited on February 10, 2007
2010	Company relocated its manufacturing operations to the Roorkee Unit
	Company started retail marketing through organised retailers like Shoppers Stop Limited and Pantaloon Retail (India) Limited
	Turnover Crosses ₹ 1,000 lacs
	Entry in US markets through vendorship in leading retailers
2011	Purchased clock moulds from Samay Electronics Private Limited for entry into the mass market

Year	Milestone
2012	Conversion of our Company from private limited company to a public limited company

### Awards and achievements

Our Company has not been rewarded with any awards or any other recognition in the past in relation to its business activities.

For details on the description of our Company's business activities, exports and products, please refer to the chapters titled "*Business Overview*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" beginning on pages 92, 164 and 71 of the Red Herring Prospectus.

### Change in the activities of our Company in the preceding five years

There has been no change in the activities of our Company in the preceding five years which has had a material effect on the profits/losses of our Company, including any activities like discontinuance of lines of business, loss of agencies or markets and similar factors.

### Main objects of our Company

The main object of our Company as contained in our Memorandum of Association is:

*"To carry on the business of manufacturing, assembly, marketing, retailing consumer goods, specifically watches, clocks and allied products."*

### Changes in the Memorandum of Association of our Company

The following changes have been made to the Memorandum of Association of our Company since its incorporation:

Date of shareholders' approval	Nature of change
October 25, 2012	Change in Clause I ( <i>name clause</i> ) to read as below:  The name of the Company is <b>OPAL LUXURY TIME PRODUCTS LIMITED</b> .
October 25, 2012	Change in Clause V(a) & (b) ( <i>capital clause</i> ) to read as below:  (a) The Authorized Share Capital of the Company is Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 (Fifty Lac) Equity Shares of Rs. 10 (Rupees Ten only) each. (b) The minimum paid-up Capital of the Company shall be Rs. 500,000 (Rupees Five Lac only)
October 25, 2012	Addition to object clause III(C) (Other objects) by inserting new clause as below:  23. To carry on in India and abroad the business of designing, manufacturing, assembly, selling, marketing, whole selling, trading and retailing of all types of lifestyle products and other manufactured goods like Apparels, Bags, Belts, Caps, Helmets, Headwear, Wallets, Fragrances, Perfumes, Mobile Phones and other personal & lifestyle accessories & allied products and render after sale services and services incidental and ancillary thereto.
November 05, 2011	Change in Clause V(a) ( <i>capital clause</i> ) to read as below:

Date of shareholders' approval	Nature of change
	The Authorized Share Capital of the Company is Rs. 25,000,000 (Rupees Two Crores Fifty Lacs Only) divided into 2,500,000 (Twenty-five Lacs) Equity Shares of Rs. 10 (Rupees Ten only).
November 26, 2010	Change in Clause V(a) ( <i>capital clause</i> ) to read as below:  The Authorised Share Capital of the Company is Rs. 55,00,000 (Fifty Five Lacs only) which consists of 5,50,000 (Five Lacs Fifty Thousand) Equity Shares of Rs. 10 each with powers to increase or reduce the same.

### Investment by Innoventive Venture Limited

Innoventive Venture Limited ("IVL") has significant investments in our Company. Brief details of the investment by IVL and its corporate profile is set forth below:

#### Investments by way of equity

Date of acquisition	Number of Equity Shares acquired	Cost of acquisition per Equity Share (₹)	Premium per Equity Share (₹)	Nature of allotment
October 25, 2011	277,700	10	-	Share transfer
November 05, 2011	832,570	23.88	13.88	Preferential allotment
<b>Total</b>	<b>1,110,270</b>	<b>-</b>	<b>-</b>	<b>-</b>

As on date, IVL holds 1,110,270 Equity Shares consisting 47.07% of our paid up Equity Share Capital.

#### Corporate Information

IVL was originally incorporated as *Kayton Trade and Finance Limited* on July 23, 1985 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing number 36936 of 1985 issued by the Registrar of Companies, Maharashtra. Subsequently, its name was changed to *Platinum Ocean Energy Limited* *vide* Fresh Certificate of Incorporation Consequent on Change of Name dated June 15, 2006 and lastly changed to *Innoventive Venture Limited* *vide* Fresh Certificate of Incorporation Consequent upon Change of Name dated September 27, 2011. The Corporate Identity Number of IVL is L67190PN1985PLC142555. The registered office of IVL is at Office number 601 & 602, Nucleus Mall, 1, Church Road, Camp, Pune - 411 001. IVL is listed on BSE Limited as *Kayton Trade and Finance Limited* (scrip 512375).

IVL is a core investment company with investments in varied sectors. The existing promoters of IVL acquired control in IVL in October 2011.

#### Shareholding pattern of IVL as on September 30, 2012:

Category	%age of shareholding
Promoter and Promoter Group	74.95
Public	25.05
<b>Total</b>	<b>100.00</b>

#### Consolidated financial highlights of IVL for the year ended March 31, 2012 is given below:

Particulars	Amount
Total Income ( <i>in ₹lacs</i> )	3,623.36

Particulars	Amount
Profit after Tax (PAT) (After Minority Interest) (in ₹lacs)	336.56
Net Worth (in ₹lacs)	1,577.41

*Source: Audited Financial Statements*

*Note: Face Value of each Equity Share is ₹10*

### Shareholders' agreements

There are no shareholders agreements involving our Company to which either our Promoters or our Company is a party as on the date of the Red Herring Prospectus

### Other Agreements

Our Company enters into various agreements/contracts for long-term arrangements, in the ordinary course of business, such as those entered into with distributors, customers & lenders and those for the purposes of contract labour services and transport of goods.

Except as below and those agreements entered into by our Company for the purposes of this Issue, there are no material contracts entered into by our Company, other than in the ordinary course of business in the two years preceding the date of the Red Herring Prospectus:

1. Assignment Deed dated November 17, 2012 between Mrs. Pratibha Gujar ("**Assignor**") and our Company.

<b>Brief details of the purpose the deed</b>	Assignment of the following trademarks to our Company along with the right, title and interest in the said trademarks, absolutely and forever together with that portion of the goodwill of the business of the Assignor in which the said trademarks has been used:  Trademarks registered/applied in India under Trade Marks Act, 1999 with Trade Marks Registry, Mumbai under registration/application numbers 836815, 836816 and 836817.
<b>Consideration</b>	₹ 101

For further details, please refer to the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' beginning on page 92 of the Red Herring Prospectus.

2. Assignment Deed dated November 17, 2012 between Mr. Subhash Gujar & Mr. Nagesh Mahindrakar ("**Assignors**") and our Company.

<b>Brief details of the purpose the deed</b>	Assignment of the following trademarks to our Company along with the right, title and interest in the said trademarks, absolutely and forever together with that portion of the goodwill of the business of the Assignors in which the said trademarks has been used:  Trademarks registered in India under Trade Marks Act, 1999 with Trade Marks Registry, Mumbai under registration numbers 683172, 1163742, 1163743, 1502814 and 1502815.
<b>Consideration</b>	₹ 1,00,00,000

For further details, please refer to the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' beginning on page 92 of the Red Herring Prospectus.

3. Trademark Assignment Agreement dated December 15, 2012 between Mr. Subhash Gujar ("Assignor") and our Company.

<b>Brief details of the purpose of the agreement</b>	Assignor wholly assigned all rights and interest in the following trademarks to our Company:  Trademarks registered in USA with United States Patent and Trademark Office under registration numbers 3939004 and 4046117.
<b>Consideration</b>	Not specified

For further details, please refer to the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' beginning on page 92 of the Red Herring Prospectus.

4. Agreement for Transfer of Business Know-How/Connections and Related Goodwill dated November 17, 2012 between M/s. Opal Industries ("Assignor") and our Company.

<b>Brief details of the purpose of the agreement</b>	Transfer of business know-how/connections and related goodwill to our Company
<b>Consideration</b>	₹ 5,81,88,351

For further details, please refer to the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' beginning on page 92 of the Red Herring Prospectus.

### **Subsidiaries**

There is no subsidiary of our Company as on the date of filing of the Red Herring Prospectus.

### **Lock-out or strikes**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Red Herring Prospectus, our employees are not unionised.

### **Capital raising through equity and debt**

For details of capital raising through equity by our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 48 of the Red Herring Prospectus.

### **Mergers/amalgamation and acquisition of business/undertakings**

There has been no merger/amalgamation in the history of our Company and we have not acquired any business/undertakings since incorporation.

### **Strategic and financial partners**

Our Company does not have any strategic or financial partners related to the projects or objects of the Issue, as on the date of filing of the Red Herring Prospectus.

### **Our shareholders**

As on the date of the Red Herring Prospectus, the total number of holders of Equity Shares is seven (7). For further details on our shareholding pattern of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 48 of the Red Herring Prospectus.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

### **Injunction or restraining order**

Our Company is not operating under any injunction or restraining order.

## OUR MANAGEMENT

### OUR DIRECTORS

Our Board consists of six directors of which three are independent directors. As per our Articles of Association, our Board shall consist of not less than three (3) Directors and not more than twelve (12) Directors. The following table sets forth the details regarding our Board of Directors as on the date of the Red Herring Prospectus.

We confirm that the composition of our Board of Directors complies with Clause 52 of the Listing Agreement for listing on SME Platform of NSE.

Sr. No.	Name, designation, Father's/Husband's name, address, age, nationality, occupation and DIN	Date of appointment and term of office	Other directorships
1.	<b>Mr. Sameer Gujar</b> Managing Director  S/o Mr. Subhash Gujar  <b>Address:</b> Delicia A-8, Utopia, Wanawari, Pune – 411 040, Maharashtra.  <b>Age:</b> 26 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Business  <b>DIN:</b> 02291364	<b>Date of appointment:</b> March 30, 2007  <b>Term:</b> appointed as Managing Director for a period of 5 years w.e.f. December 15, 2010  Not liable to retire by rotation	
2.	<b>Mrs. Pratibha Gujar</b> Non-executive and Non-independent  W/o Mr. Subhash Gujar  <b>Address:</b> Delicia A-8, Utopia, Wanawari, Pune – 411 040, Maharashtra.  <b>Age:</b> 55 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Home-maker  <b>DIN:</b> 02405428	<b>Date of appointment:</b> since incorporation  Liable to retire by rotation	
3.	<b>Mr. Ramprasad Joshi</b> Non-executive and Independent  S/o Mr. Savlaram Shrikrishnam Joshi	<b>Date of appointment:</b> October 15, 2012  Liable to retire by rotation	1. Innoventive Venture Limited 2. Innoventive Industries Limited



Sr. No.	Name, designation, Father's/Husband's name, address, age, nationality, occupation and DIN	Date of appointment and term of office	Other directorships
	<p><b>Address:</b> 10, Mayur Society, Sadar Bazar, Satara – 415 002, Maharashtra</p> <p><b>Age:</b> 43 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Independent Consultant</p> <p><b>DIN:</b> 02682144</p>		
4.	<p><b>Mr. Odayammadath Koroth Balraj</b> Nominee Director Additional Director Non-executive and Non-independent</p> <p>S/o Mr. Payyan Vellattukara Balkrishnan Nambiar</p> <p><b>Address:</b> C-33, Sector 26, Noida – 201 301, Uttar Pradesh</p> <p><b>Age:</b> 56 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Service</p> <p><b>DIN:</b> 01873868</p>	<p><b>Date of appointment:</b> November 26, 2012</p> <p>Liable to retire by rotation</p>	<ol style="list-style-type: none"> <li>1. Innoventive Venture Limited</li> <li>2. Aim Filtertech Private Limited</li> <li>3. GeneOmbio Technologies Private Limited</li> </ol>
5.	<p><b>Mr. Pradeep Tupe</b> Additional Director Non-executive and Independent</p> <p>S/o Mr. Vasant Rao Santoba Tupe</p> <p><b>Address:</b> Flat number 604, Kumar Khsitij, Sr. no. 87 1A/1/ 1, Sahkar Nagar / D Building, Pune – 411 009, Maharashtra</p> <p><b>Age:</b> 54 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p>	<p><b>Date of appointment:</b> November 26, 2012</p> <p>Liable to retire by rotation</p>	<ol style="list-style-type: none"> <li>1. Innoventive Venture Limited</li> <li>2. Innoventive Industries Limited</li> </ol>

Sr. No.	Name, designation, Father's/Husband's name, address, age, nationality, occupation and DIN	Date of appointment and term of office	Other directorships
	DIN: 02968390		
6.	<b>Mr. Ramachandran Nair</b> Additional Director Non-executive and Independent  S/o Mr. Velayudhan Ramakrishnan Nair  <b>Address:</b> Flat number 15, Bldg no. A/6, S. no. 160/1, Kumar Padmalaya, D. P. Road, Aundh, Pune – 411 007, Maharashtra  <b>Age:</b> 60 years  <b>Nationality:</b> Indian  <b>Occupation:</b> Retired Banker  DIN: 06445871	<b>Date of appointment:</b> December 08, 2012  Liable to retire by rotation	Nil

**Note:** None of the above mentioned Directors are on the RBI List of wilful defaulters as on date of the Red Herring Prospectus.

## BRIEF PROFILE OF OUR DIRECTORS

### Mr. Sameer Gujar

Mr. Sameer Gujar, aged 26 years, is the Promoter and the Managing Director of our Company. He has passed the examination for Bachelor of Commerce from University of Pune and has completed Post Graduation Programme in Management (Family Managed Business) from S. P. Jain Institute of Management & Research, Mumbai. He has a work experience of 5 years as the Director of our Company. He is responsible for developing our Company's relationship with customers & suppliers. He has been involved in formulating strategies including identification of growth opportunities in domestic as well as international markets for our Company. He is also heading our operations including the designing team. For more details, please refer to the chapter titled 'Our Promoters and their Background' beginning on page 131 of the Red Herring Prospectus.

### Mrs. Pratibha Gujar

Mrs. Pratibha Gujar, aged 55 years, is the Promoter and a Non-Executive Director of our Company. She holds a degree in Bachelor of Arts (Special) from University of Poona. For further details, please refer to the chapter titled 'Our Promoters and their Background' beginning on page 131 of the Red Herring Prospectus.

### Mr. Ramprasad Joshi

Mr. Ramprasad Joshi, aged 43 years is an Independent Director of our Company. He holds a degree of Bachelor of Engineering (Computer) from Shivaji University, Kolhapur and a degree of Master of Engineering (Computer Engineering) from University of Mumbai. He was appointed as a Director on the Board of Directors of our Company on October 15, 2012.

### **Mr. Odayammadath Koroth Balraj**

Mr. Odayammadath Koroth Balraj, aged 56 years is a Non-executive Director of our Company. He is a Member of the Institute of Chartered Accountants of India. He holds a certificate course in 'Infrastructure in a Market Economy' from John F. Kennedy School of Government, Harvard University. He was appointed as an Additional Director on the Board of Directors of our Company on November 26, 2012. He has been appointed as a Nominee Director representing Innoventive Venture Limited.

### **Mr. Pradeep Tupe**

Mr. Pradeep Tupe, aged 54 years is an Independent Director of our Company. He holds a diploma in Business Management from the Institute of Management Development & Research, Pune and a diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra State. He was appointed as an Additional Director on the Board of Directors of our Company on November 26, 2012.

### **Mr. Ramachandran Nair**

Mr. Ramachandran Nair, aged 60 years, is an Independent Director of our Company. He holds a degree of Bachelor of Commerce from University of Kerela. He has also completed Part I of the Associate Examination of the Indian Institute of Bankers. He was appointed as an Additional Director on the Board of Directors of our Company on December 08, 2012. Prior to joining our Company, he has been associated with Bank of Maharashtra since 1975 and was lastly designated as the Deputy General Manager of the Pune City Zone.

## **DIRECTORSHIPS IN SUSPENDED/DELISTED COMPANIES**

None of our Director is or was a Director on any listed Companies during the last five years preceding the date of filing of the Red Herring Prospectus, whose share have been or were suspended from being traded on any of the stock exchanges in India, during the term of their directorship in such companies:

## **RELATIONSHIP BETWEEN THE DIRECTORS**

None of our Directors are "relatives" within the meaning of Section 6 of the Companies Act, 1956 except as stated below:

<b>Name of the Director</b>	<b>Relationship</b>
Mr. Sameer Gujar	Son of Mrs. Pratibha Gujar
Mrs. Pratibha Gujar	Mother of Mr. Sameer Gujar

Except as below, none of our Directors are appointed pursuant to any arrangement or understanding or agreement with major shareholders, customers, suppliers or others:

Mr. Odayammadath Koroth Balraj has been appointed as a Nominee Director representing Innoventive Venture Limited.

## **BORROWING POWERS OF BOARD OF DIRECTORS**

The borrowing powers of our Board of Directors are regulated by Articles 95 to 99 of the Articles of Association of our Company.

Pursuant to an ordinary resolution passed at the Extra-ordinary General Meeting of our Company held on November 05, 2011, our Directors have been authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to

time, pursuant to the provisions of Section 293(1)(d) of the Companies Act, subject to an aggregate amount not exceeding ₹ 100 crores and/or in equivalent foreign currency.

For more details on the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “Main Provisions of the Articles of Association of our Company” beginning on page 255 of the Red Herring Prospectus.

## COMPENSATION AND BENEFITS TO OUR MANAGING DIRECTOR

Details of compensation paid to the managing director / whole time director(s) in FY 2012 is as below:

(₹ in lacs)		
Name of the Director	Designation	Compensation paid for the FY 2011-12
Mr. Sameer Gujar	Managing Director	8.58

Our Company has entered into a service agreement with our Managing Director, Mr. Sameer Gujar. It does not provide for any benefits upon termination of employment:

## TERMS OF APPOINTMENT AND COMPENSATION OF MR. SAMEER GUJAR

Mr. Sameer Gujar is the Managing Director of our Company. He was appointed as an Additional Director on the Board of Directors of our Company on March 30, 2007. Further, he was appointed as the Managing Director of our Company on December 15, 2010 *vide* Service Agreement dated December 17, 2010 entered into by and between our Company and Mr. Sameer Gujar, for a service tenure of five (5) years with effective period from December 15, 2010 till December 14, 2015. The remuneration payable to Mr. Sameer Gujar towards basic salary is ₹ 36,000 per month.

The key terms of appointment of Mr. Sameer Gujar are as follows:

Category	Particulars
<b>Basic salary</b>	₹ 36,000 per month  Further the Board of Directors may alter the remuneration from time to time so that the salary and perquisites shall not exceed the ceiling, if any, prescribed under Schedule XIII of the Companies Act, 1956.
<b>Minimum remuneration</b>	Where in any financial year during the currency of the tenure if the Company has no profits or the profits are inadequate, the Company may pay remuneration by way of salary, dearness allowance, perquisites and any other allowance.
<b>Reimbursement of expenses</b>	
(a) Medical reimbursement	Reimbursement of medical expenses incurred on self, spouse and dependent children will be reimbursed to him subject to the ceiling of one months' salary in a year or three months' salary over a period of three years
(b) Leave travel concession	For self and family once a year
(c) Car	Company will provide a car with driver for use for Company's business as well as for private purpose. However, use of car for private purposes, if any, will be billed by the Company.
(d) Telephone	Company shall provide telephone at the residence
(e) Commission	Payment of commission of such amount for each corporate financial year as may be decided by Board of Directors or any other committee, thereof, for each financial year.

Category	Particulars
<b>Other benefits</b>	
(a) Superannuation fund and gratuity	Company's contribution to superannuation are not taxable and gratuity at the rate of half months' salary for each completed year of service
(b) Other benefits	Additional benefits and/or perquisites may be provided by the Board of Directors as it deems fit.
(c) Club Fees	Fees for a maximum of two clubs excluding admission and lifetime membership fees.
Further, Mr. Sameer Gujar is also entitled to compensation for encashment of earned leaves and personal accident insurance as per rules of our Company from time to time.	
In case of no profits or inadequate profits in any financial year, our Company may pay remuneration to Mr Sameer Gujar in accordance with the limits prescribed in Section II of Schedule XIII of the Companies Act, 1956 as amended from time to time subject to compliance of provisions thereof but in any event shall not exceed the ceiling, if any, prescribed under Schedule XIII of the Companies Act, 1956.	

### SITTING FEES PAYABLE TO DIRECTORS

Sitting fees of ₹ 5,000 per meeting is payable to our Independent and Nominee Directors for attending meeting of the Board of Directors, as approved *vide* Board resolution dated December 08, 2012. However, our Directors are not entitled to any sitting fees for attending meetings of a committee of the Board of Directors.

### SHAREHOLDING OF OUR DIRECTORS

As per our Articles of Association, our Directors are not required to hold any Equity Shares in our Company to qualify them for the office of a Director of our Company. Save and except as below, our Directors do not hold any Equity Shares in our Company as on the date of the Red Herring Prospectus:

Name of the Director	Number of Equity Shares held	Percentage of pre-issue Equity Share Capital
Mr. Sameer Gujar	433,079	18.36
Mrs. Pratibha Gujar	415,851	17.63
<b>Total</b>	<b>848,930</b>	<b>35.99</b>

*The discrepancy in the table between the total and the sum of the amounts listed is due to rounding off.*

### INTEREST OF DIRECTORS

Except for Mr. Sameer Gujar and Mrs. Pratibha Gujar, who are the Promoters of our Company, none of our Directors are interested in the promotion of our Company.

All our Directors may be deemed to be interested to the extent of sitting fees payable to them, if any, for attending meetings of the Board of Directors, or any commission payable to our Non-executive Directors as well as to the extent of remuneration payable to our Executive Directors for their services as executive directors of our Company and reimbursement of expenses payable to them under our Articles of Association.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them, from time to time, or by their relatives or any firms or other entities/bodies corporate in which they have interest and also to the extent of any dividend payable to them, right to receive offer for rights' issue and be allotted bonus shares, if announced and other distributions in respect of the said Equity Shares.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar to the Issue or Bankers to the Issue or any such intermediaries registered with SEBI.

Further, save and except hereinabove and as stated under the paragraph titled ‘*Immovable Property*’ under the chapter titled ‘*Business Overview*’, under the paragraph titled ‘*Interest of Promoters*’ under the chapter titled ‘*Our Promoters and their Background*’ and under Annexure – XXXI titled “*Statement of Related Parties Transactions, As Restated*” beginning on pages 92, 131 and 136 respectively of the Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of the Red Herring Prospectus.

## INTEREST AS TO PROPERTY

Except as stated under the paragraph titled ‘*Immovable Property*’ under the chapter titled ‘*Business Overview*’ and under the paragraph titled ‘*Interest of Promoters*’ under the chapter titled ‘*Our Promoters and their Background*’ beginning on pages 92 and 131 respectively of the Red Herring Prospectus, our Directors do not have any interest in any property acquired by our Company in the preceding two years from the date of the Red Herring Prospectus or in any property proposed to be acquired by our Company.

## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The following are the changes in our Board of Directors during the last three years:

Name of the Director	Date of change	Reasons for change
Mr. Sameer Gujar	December 15, 2010	Change in designation as Managing Director
Mr. Ramprasad Joshi	October 15, 2012	Appointment as Additional Director
Mr. Ramprasad Joshi	October 25, 2012	Regularisation as a Director
Mr. Odayammadath Korothe Balraj	November 26, 2012	Appointment as Additional Director (Nominee Director representing Innoventive Venture Limited)
Mr. Pradeep Tupe	November 26, 2012	Appointment as Additional Director
Mr. Ramachandran Nair	December 08, 2012	Appointment as Additional Director

## CORPORATE GOVERNANCE

The provisions of the Listing Agreement for listing on SME Platform of NSE, in relation to corporate governance and the SEBI ICDR Regulations in relation to corporate governance are applicable to our Company from the time of seeking in-principle approval of NSE. Our Company has taken steps to comply with such provisions, as contained in the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as an audit committee, a shareholders’/investors’ grievance committee, etc. Further, our Company undertakes to take all necessary steps to comply with all the requirements of the regulatory framework on corporate governance and adopt the corporate governance code as per Clause 52 of the Listing Agreement and as per the SEBI ICDR Regulations.

## COMPOSITION OF THE BOARD

The Board of Directors of our Company has a combination of executive and non-executive Directors as envisaged in Clause 52 of the Listing Agreement. As on the date of the Red Herring Prospectus, our Board consists of six Directors of which three are independent directors.

## VARIOUS COMMITTEES OF BOARD OF DIRECTORS

In terms of Clause 52 of the Listing Agreement, our Company has constituted the following committees of the Board:

1. Audit Committee
2. Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee

### 1. AUDIT COMMITTEE

Our Board constituted the Audit Committee in accordance with Clause 52 of the Listing Agreement. The Audit Committee was constituted at a meeting of the Board of Directors held on December 08, 2012.

The Audit Committee comprises of the following Directors:

Name of the Director	Designation in the committee	Nature of Directorship
Mr. Ramachandran Nair	Chairman	Non-Executive and Independent Director
Mr. Pradeep Tupe	Member	Non-Executive and Independent Director
Mr. Ramprasad Joshi	Member	Non-Executive and Independent Director
Mr. Sameer Gujar	Member	Managing Director

Mr. Nikhil Deshpande, our Company Secretary will act as the secretary to the Audit Committee.

The Audit Committee shall act and function in accordance with Clause 52 of the Listing Agreement.

### Powers of the Audit Committee

The powers of the Audit committee shall include, but not limited to, the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of the Audit Committee

The role of the Audit Committee shall include, but not limited to, the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to the financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;



5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the use of the proceeds of the proposed initial public offering of our Company.
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
10. Discussion with internal and statutory auditors on any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
12. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, when the same is adopted by our Company and is existing;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
16. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;

#### **Review of information by Audit Committee**

The Audit Committee shall review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Financial statements, in particular, the investments made by the unlisted subsidiary company, if any.

#### **2. SHAREHOLDERS'/INVESTORS' GRIEVANCE, SHARE ALLOTMENT AND SHARE TRANSFER COMMITTEE**

Our Board constituted the Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee in accordance with Clause 52 of the Listing Agreement for corporate governance, for redressal of shareholders' and investors' grievances & complaints. The Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee were constituted at a meeting of the Board of Directors held on December 08, 2012.

The Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee comprises of the following Directors:

Name of the Director	Designation in the committee	Nature of Directorship
Mr. Ramprasad Joshi	Chairman	Non-Executive and Independent Director
Mr. Pradeep Tupe	Member	Non-Executive and Independent Director
Mr. Odayammadath Korothe Balraj	Member	Non-Executive and Non-independent Director (Nominee Director for Innoventive Venture Limited)

Mr. Nikhil Deshpande, our Company Secretary will act as the secretary to the Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee.

The Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee shall act and function in accordance with Clause 52 of the Listing Agreement.

#### **Role of the Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee**

The role of the Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee shall include, but not limited to, the following:

1. Efficient transfer of Equity Shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/ split/ consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares in future;
6. Review of cases for refusal of transfer/ transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances;
9. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;
10. To review from time to time the secretarial department;
11. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Further, our Company has constituted the following committees of the Board:

1. IPO Committee
2. Working Group Committee

#### **1. IPO COMMITTEE**

Our Board constituted the IPO Committee to oversee and inform the Audit Committee when money is raised through prospectus or rights or preferential issues and shall inform of funds received, utilised, pending for project implementation etc., for the information of the stock exchange(s) and investors. The IPO Committee was constituted at a meeting of the Board of Directors held on December 08, 2012.

The IPO Committee comprises of the following Directors:

Name of the Director	Designation in the committee	Nature of Directorship
Mr. Pradeep Tupe	Chairman	Non-Executive and Independent Director
Mrs. Pratibha Gujar	Member	Non-executive and Non-independent Director

Name of the Director	Designation in the committee	Nature of Directorship
Mr. Sameer Gujar	Member	Managing Director

Mr. Nikhil Deshpande, our Company Secretary will act as the secretary to the IPO Committee.

The IPO Committee (through its members) shall set such rules & regulations which shall govern its overall functioning and that any two members personally present shall form quorum for the purposes of the meeting of the IPO Committee.

### Role of the IPO Committee

The role of IPO Committee shall include, but not limited to, the following:

1. To decide on the actual size of the Issue, including any reservation shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the Issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
2. To appoint and enter into arrangements with the Book Running Lead Manager, Co-Managers to the Issue, Underwriters to the Issue, Syndicate Members to the Issue, Advisors to the Issue, Stabilizing Agent, Brokers to the Issue, Escrow Collection Bankers to the Issue, Registrars, Legal Advisors to the Issue, Legal Advisors to our Company, Legal Advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
3. To finalize and settle and to execute and deliver or arrange the delivery of the offering documents (the Draft Red Herring Prospectus, the Red Herring Prospectus, Final Prospectus (including the draft international wrap and final international wrap, if required, for marketing of the Issue in jurisdictions outside India), syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue of shares or the Issue by our Company;
4. To open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the Issue of the shares of our Company;
5. to open one or more bank account of our Company such name and style as may be decided for the handling of refunds for the Issue;
6. To make any applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of Issue of shares by our Company to non-resident investors including but not limited to NRIs, FIIs, FVCI's and other non-residents;
7. To make applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
8. To settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit; and
9. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules.

## 2. WORKING GROUP COMMITTEE

Our Board constituted the Working Group Committee to supervise, guide and review day to day operations of our Company like, including but not limited to, change in signatories or opening of bank accounts or execution of agreements/deeds/documents etc. The Working Group Committee was constituted at a meeting of the Board of Directors held on December 08, 2012.

The Working Group Committee comprises of the following Directors:

Name of the Director	Designation in the committee	Nature of Directorship
Mr. Sameer Gujar	Chairman	Managing Director
Mrs. Pratibha Gujar	Member	Non-executive and Non-independent Director
Mr. Ramprasad Joshi	Member	Non-Executive and Independent Director

Mr. Nikhil Deshpande, our Company Secretary will act as the secretary to the Working Group Committee.

The Working Group Committee (through its members) shall set such rules & regulations which shall govern its overall functioning and that any two members personally present shall form quorum for the purposes of the meeting of the Working Group Committee. However, the Working Group Committee at its meeting shall not decide upon any matter which must be dealt with at, either a meeting of the Board of Directors or that of the shareholders, in accordance with any law and in case such matter has been resolved or decided, then under such circumstances, it shall be subject to the approval of the Board of Directors or the shareholders, as the case may be.

### **Role of the Working Group Committee**

The role of Working Group Committee shall include, but not limited to, the following:

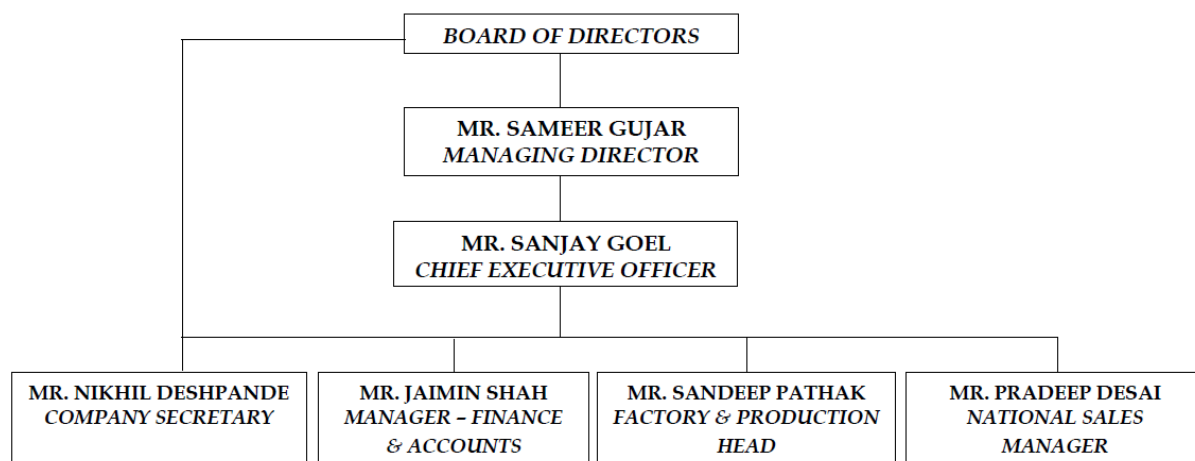
1. To open new bank account(s) in the name of the Company or to close any existing bank account(s) as and when required and to authorise directors and / or executives to operate such bank account(s) and with such limits as are approved by the Working Group Committee from time to time.
2. To open domestic or international Letters of Credit (LC) from time to time, on behalf of the Company for its capital expenditure, procurement of raw material or other requirements.
3. To borrow upto Rs. 100 Crores (Rupees One Hundred Crores only) and / or in equivalent foreign currency at any one time;
4. To open or close any Fixed Deposit Account(s) with any of the banks or any other financial institutions;
5. To shortlist and enter into the Leave and License Agreement or Lease Agreement to effectively carry out the operations of the Company.
6. To authorise employees or appoint any outside professional or consultant for and on behalf of the Company for such work as the committee may deem fit; and fix their remuneration.
7. All other roles & responsibilities which are necessary and expedient for smooth functioning of day to day business affairs of the Company.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's Equity Shares on the SME Platform of NSE.

Mr. Nikhil Deshpande, our Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## MANAGEMENT ORGANISATION STRUCTURE



### KEY MANAGERIAL PERSONNEL ("KMP")

The key managerial personnel of our Company other than our Executive Directors are as follows:

Name	Designation
Mr. Sanjay Goel	Chief Executive Officer
Mr. Pradeep Desai	National Sales Manager
Mr. Jaimin Shah	Manager – Finance & Accounts
Mr. Sandeep Pathak	Factory & Production Head
Mr. Nikhil Deshpande	Company Secretary

#### Note:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned key managerial personnel have been recruited.
- None of the key managerial personnel mentioned above are related to the Promoters/Directors of our Company.
- The key managerial personnel as disclosed above are not key managerial personnel as defined under Accounting Standard 18.

The details of our key managerial personnel are set out below:

**Mr. Sanjay Goel**, aged 43 years, has been employed with our Company since September 28, 2012. He is currently designated as the Chief Executive Officer of our Company. He holds a degree of Bachelor of Engineering from Mangalore University and a degree of Master of Business Administration from the University of Lancaster, United Kingdom. Prior to joining our Company, he was associated with Business Aircraft International Private Limited and Bajaj Auto Limited. He has a work experience of over 20 years. Currently, he oversees business strategy & development, strategic acquisitions & alliances and overall operations of our Company. Since he has been appointed in FY 2013, no compensation was paid to him in FY2012.

**Mr. Pradeep Desai**, aged 47 years, has been employed with our Company since April 01, 2007. He is currently designated as the National Sales Manager of our Company. He holds a degree of Bachelor of Arts (Special) and a degree of Master of Personnel Management, both from University of Poona. Prior to joining our Company, he was associated with M/s. Opal Industries, Pune. He has an experience of over 11 years in the area of sales & distribution. In FY 2012, he was paid an aggregate compensation of ₹ 5.23 lacs.

**Mr. Jaimin Shah**, aged 25 years, has been employed with our Company since August 08, 2011. He is currently designated as the Manager – Finance & Accounts of our Company. He holds a degree of Bachelor of Commerce from Gujarat University and has passed the examination for Master of Business Administration from Gujarat University. He also holds a Diploma in Banking and a Diploma in Accounting for Management, both from Ahmedabad Management Association. Prior to joining our Company, he was associated with Care Corupack Limited. He has an experience of over two years in the field of finance. In FY 2012, he was paid an aggregate compensation of ₹ 2.65 lacs.

**Mr. Sandeep Pathak**, aged 36 years, has been employed with our Company since April 01, 2007. He is currently designated as the Factory & Production Head and is responsible for managing production activities of our Company. He has passed the Secondary School Certificate Examination from Maharashtra State Board of Secondary and Higher Secondary Education. Prior to joining our Company, he has been associated with M/s. Opal Industries, Pune since 1998. He has a work experience of over fourteen years. In FY 2012, he was paid an aggregate compensation of ₹ 2.47 lacs.

**Mr. Nikhil Deshpande**, aged 27 years, has been employed with our Company since January 02, 2012 as the Secretarial Manger. He is currently designated as the Company Secretary of our Company since October 15, 2012. He holds a degree of Bachelor of Commerce and a degree of Bachelor of Laws, both from University of Pune and is an Associate Member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with M/s. Ritesh R. Mahajan, Company Secretaries, Pune. Currently, he is responsible for looking after secretarial affairs of our Company. In FY 2012, he was paid an aggregate remuneration of ₹ 75,000.

#### Shareholding of our key managerial personnel

Except as set out in the table herein below, none of our key managerial personnel hold any Equity Shares in our Company as on date of the Red Herring Prospectus:

Name and designation	Number of Equity Shares held	Percentage of pre-issue Equity Share Capital
Mr. Pradeep Desai	100	<0.01
<b>Total</b>	100	<0.01

#### Relation of the key managerial personnel with our Promoters/Directors

None of our key managerial personnel are “related” to any of the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act.

#### Interest of key managerial personnel and payment of benefits to them

Except as disclosed in this chapter, none of our key managerial personnel have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company. Other than as disclosed herein, we have not paid / given any benefit to our key managerial personnel, in the two preceding years from the date of the Red Herring Prospectus. Further, our Company does not intend to make any such payment/give any such benefit to any key managerial personnel as on the date of the Red Herring Prospectus.

#### Changes in the key managerial personnel

Save and except as mentioned below, there have been no changes in key managerial personnel of our Company, in the preceding three years from the date of the Red Herring Prospectus:

Name of the key managerial personnel	Date of appointment	Date of resignation	Reason for change
Mr. Jaimin Shah	August 08, 2011	-	Appointment

Name of the key managerial personnel	Date of appointment	Date of resignation	Reason for change
Mr. Nikhil Deshpande	January 02, 2012	-	Appointment
Mr. Sanjay Goel	September 28, 2012	-	Appointment

## EMPLOYEES

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled “*Experienced Management Team*” under chapter ‘*Business Overview*’ beginning on page 92 of the Red Herring Prospectus.

### Employees Stock Option Scheme

Our Company does not have any employee stock option scheme/employee stock purchase scheme or other similar scheme giving options in our Equity Shares to our employees.

### Bonus or Profit Sharing Plan of the key management personnel

Our Company does not have any bonus or profit sharing plan for the key management personnel of our Company.



## OUR PROMOTERS AND THEIR BACKGROUND

Our Promoters currently hold 848,930 Equity Shares, equivalent to approximately 35.99% of our pre-Issue paid-up share capital. The Promoters of our Company are:

1. Mr. Sameer Gujar
2. Mrs. Pratibha Gujar

### OUR INDIVIDUAL PROMOTER

	<p><b>Mr. Sameer Gujar</b></p> <p>Mr. Sameer Gujar, aged 26 years, is the Promoter and the Managing Director of our Company. He has passed the examination for Bachelor of Commerce from University of Pune and has completed Post Graduation Programme in Management (Family Managed Business) from S. P. Jain Institute of Management &amp; Research, Mumbai. He has a work experience of 5 years as the Director of our Company. He is responsible for developing our Company's relationship with customers &amp; suppliers. He has been involved in formulating strategies including identification of growth opportunities in domestic as well as international markets for our Company. He is also heading our operations including the designing team. For more details, please refer to the chapter titled '<i>Our Management</i>' beginning on page 116 of the Red Herring Prospectus.</p> <p><b>Driving license number:</b> MH12-20040582952  <b>Voter ID card number:</b> XCT2700300  <b>Address:</b> Delicia A-8, Utopia, Wanawari, Pune - 411 040, Maharashtra.</p>
	<p><b>Mrs. Pratibha Gujar</b></p> <p>Mrs. Pratibha Gujar, aged 55 years, is the Promoter and a Non-Executive Director of our Company. She holds a degree in Bachelor of Arts (Special) from University of Poona. For further details, please refer to the chapter titled '<i>Our Management</i>' beginning on page 116 of the Red Herring Prospectus.</p> <p><b>Voter ID card number:</b> XCT2700334  <b>Address:</b> Delicia A-8, Utopia, Wanawari, Pune 411 - 040, Maharashtra.  <i>Mrs. Pratibha Gujar does not hold a driving license.</i></p>

We declare that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters shall be submitted to NSE at the time of filing the Red Herring Prospectus with them.

There are no other ventures promoted by our Promoters.

### Changes in our Promoters

Mr. Sameer Gujar and Mrs. Pratibha Gujar are the original promoters of our Company and there have been no changes in the control of our Company since its incorporation.

### Relationship of Promoters with each other and that with our Directors

None of our Promoters/Directors are “relatives” within the meaning of Section 6 of the Companies Act, 1956 except as stated below:

Name of the Promoter	Relationship
Mr. Sameer Gujar	Son of Mrs. Pratibha Gujar
Mrs. Pratibha Gujar	Mother of Mr. Sameer Gujar

### Interest of Promoters

All our Promoters are interested in the promotion of our Company and are also interested to the extent of Equity Shares held by them from time to time, or by their relatives or any firms or other entities/bodies corporate in which they have interest and also to the extent of any dividend payable to them, right to receive offer for rights’ issue and be allotted bonus shares, if announced and other distributions in respect of the said Equity Shares. Further, our Promoters, Mr. Sameer Gujar and Mrs. Pratibha Gujar may also be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them under the Articles/their terms of appointment. For further details, please refer to the chapters titled ‘*Capital Structure*’ and ‘*Our Management*’ and Annexure – XXXI titled “*Statement of Related Parties Transactions, As Restated*” under the chapter titled ‘*Financial Statements*’ beginning on pages 48, 116 and 136 of the Red Herring Prospectus.

### Payment or Benefit to Our Promoters in the last two years

Except as stated herein, and under the chapters titled “*Our Management*” and “*Financial Information*” & under the paragraph titled ‘*Intellectual Property*’ under the chapter titled “*Business Overview*” beginning on page 92 of the Red Herring Prospectus, no amount or benefit has been paid or given, in the preceding two years from the date of the Red Herring Prospectus or intended to be paid or given to our Promoters.

There are no business activities of our Company in the same line as that of any Group Companies.

There is no bonus plan for our Promoters. Except as disclosed in the chapter titled ‘*Our Management*’ beginning on page 116 of the Red Herring Prospectus, our Promoters are not entitled to any profit-sharing plan.

### Group companies: other ventures of our Promoters

Except as disclosed in this chapter, there are no other ventures promoted by our Promoters.

### Related Party Transactions

Except as stated in Annexure – XXXI titled “*Statement of Related Parties Transactions, As Restated*” under the chapter titled “*Financial Statements*” beginning on page 136 of the Red Herring Prospectus, our Promoters have not given any loans to our Company, secured or unsecured, as on the date of the Red Herring Prospectus.

For details on related party transactions, please refer Annexure – XXXI titled “*Statement of Related Parties Transactions, As Restated, As Restated, As Restated, As Restated*” under the chapter titled ‘*Financial Statements*’ beginning on page 136 of the Red Herring Prospectus.

### Details of companies/firms from which our Promoters have disassociated

Except as stated below, our Promoters have not disassociated themselves from any of the companies/firms during the three years preceding the date of filing the Red Herring Prospectus:

Sr. no.	Name of the Promoter	Name of the company/firm	Date of disassociation	Reasons, circumstances and terms of disassociation
1.	Mr. Sameer Gujar	Gujar Apparels Private Limited	September 14, 2012	Dissolution of Gujar Apparels Private Limited
2.	Mrs. Pratibha Gujar	Gujar Apparels Private Limited	September 14, 2012	Dissolution of Gujar Apparels Private Limited
		Opal Retailing Private Limited	September 14, 2012	Dissolution of Opal Retailing Private Limited

### Other Confirmations

Further, our Promoters have not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no related proceedings are pending against them.

Neither our Promoters nor any entities forming part of the Promoter Group have been:

- (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters are or have been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations is as under:

### i. Natural Persons forming part of our Promoter Group:

The following natural persons (being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations) form part of our Promoter Group:

Relationship	Mr. Sameer Gujar	Mrs. Pratibha Gujar
Father	Mr. Subhash Gujar	Late Mr. Bhimnath Chavan
Mother	Mrs. Pratibha Gujar	Late Mrs. Sulochana Chavan
Spouse	-	Mr. Subhash Gujar
Brother	-	Mr. Ulhas Chavan Mr. Pramod Chavan
Sister	Ms. Deepti Kulkarni	Mrs. Mangala Tikar Mrs. Sucheta Kirtane
Son	-	Mr. Sameer Gujar
Daughter	-	Ms. Deepti Kulkarni
Spouse's Father	-	Late Mr. Prabhakar Gujar
Spouse's Mother	-	Mrs. Prabhavati Gujar
Spouse's Brother	-	Mr. Nitin Gujar
Spouse's Sister	-	Mrs. Hema Nair Mrs. Mangala Mahindrakar

### ii. Entities forming part of the Promoter Group

1. M/s. Opal Industries, Pune

#### Interest of Promoter Group

Except as stated hereinabove and under the paragraph titled '*Intellectual Property*' under the chapter titled '*Business Overview*' and under the chapter titled '*Our Management*' beginning on pages 92 and 116 respectively, of the Red Herring Prospectus, no amount or benefit has been paid or given, in the preceding two years from the date of the Red Herring Prospectus or intended to be paid or given to any individuals forming part of the Promoter Group.

#### Related Party Transactions

Except as stated in Annexure – XXXI titled '*Statement of Related Parties Transactions, As Restated*' under the chapter titled '*Financial Statements*' beginning on page 136 of the Red Herring Prospectus, the relatives of our Promoters have not given any loans to our Company, secured or unsecured, as on the date of the Red Herring Prospectus.

For details on related party transactions, please refer Annexure – XXXI titled '*Statement of Related Parties Transactions, As Restated*' under the chapter titled '*Financial Statements*' beginning on page 136 of the Red Herring Prospectus.

## DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

No dividend shall be payable except out of profits of our Company which shall be arrived at, in the manner provided for, under Section 205 of the Companies Act, 1956.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we have entered into and those which we may enter into, to finance our various projects and also the fund requirements for our projects.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION V - FINANCIAL INFORMATION

### FINANCIAL INFORMATION

#### FINANCIAL INFORMATION

#### FINANCIAL STATEMENTS

**Auditors' report on the financial information of Opal Luxury Time Products Limited, as restated, for the period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008**

To,  
The Board of Directors  
Opal Luxury Time Products Limited  
'Shree Ganesh', Plot No.31,  
Shivaji Housing Co-operative Society,  
Senapati Bapat Road, Behind ICC Tower  
Pune - 411016  
India

Dear Sirs,

We have examined the restated financial information of Opal Luxury Time Products Limited (the 'Company') annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the offer document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') for the issue of equity shares having a face value of ₹ 10 each at an issue price to be arrived at by a book building process (referred to as 'the Issue').

This financial information has been prepared in accordance with the requirements of:

- i) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments.

This financial information has been extracted by the management from the audited financial statements of the Company for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008.

We have examined such financial information in accordance with the requirements of:

- i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii) The terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company relating to IPO.

#### ***A. Financial information as per the Restated Summary Statements of the Company:***

1. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) and also the Statement of Cash flows, As Restated (refer Annexure III) for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 collectively referred to as 'Restated Summary Statements of the Company'. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

2. The Restated Summary Statements of the Company for the years ended March 31, 2011, 2010, 2009 and 2008 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at and for the years ended March 31, 2011, 2010 and 2009 which have been audited by M/s. Gunwani & Kolapkar and as at and for the year ended March 2008 which have been audited by M/s. P.G Bhagwat and accordingly reliance has been placed on the financial information examined by them for the said years. The Restated Summary Statements of the Company as at and for the period ended September 30, 2012 and the year ended March 31, 2012 is based on the financial statements of the Company, which have been audited by us.

3. Based on our examination of these Restated Summary Statements of the Company, we state that:

- a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at September 30, 2012, as stated in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

c) The Restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

d) There are no qualifications in the auditors' reports for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 which would require adjustment in the Restated Summary Statements of the Company; and

e) There are no extra-ordinary items which need to be disclosed separately in the Restated Summary Statements of the Company.

#### **B. Other financial information:**

4. We have examined the following 'Other financial information' in respect of the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 of the Company, proposed to be included in the offer document, as prepared by the management and approved by the Board of Directors and annexed to this report:

- (i) Statement of Notes to Restated Summary Statements of the Company (Annexure IV);
- (ii) Statement of Share capital, As Restated (Annexure V);
- (iii) Statement of Reserves & Surplus, As Restated (Annexure VI);
- (iv) Statement of Long Term Borrowings, As Restated (Annexure VII);
- (v) Statement of Deferred tax liability , As Restated (Annexure VIII);
- (vi) Statement of Short term borrowings, As Restated (Annexure IX);
- (vii) Statement of Trade payables, As Restated (Annexure X);
- (viii) Statement of Other current liabilities, As Restated (Annexure XI);
- (ix) Statement of Short term provisions, As Restated (Annexure XII);
- (x) Statement of Fixed Assets, As Restated (Annexure XIII A);
- (xi) Statement of Capital Work in Progress, As Restated (Annexure XIII B);
- (xii) Statement of Long term loans and advances, As Restated (Annexure XIV);
- (xiii) Statement of Current Investment, As Restated (Annexure XV);
- (xiv) Statement of Inventories, As Restated (Annexure XVI);
- (xv) Statement of Trade Receivable, As Restated (Annexure XVII);
- (xvi) Statement of Cash and cash equivalents, As Restated (Annexure XVIII);
- (xvii) Statement of Short term loans and advances, As Restated (Annexure XIX);
- (xviii) Statement of Revenue from operations, As Restated (Annexure XX);
- (xix) Statement of Other income, As Restated (Annexure XXI);
- (xx) Statement of Cost of material consumed, As Restated (Annexure XXII);
- (xxi) Statement of Purchase of traded goods, As Restated (Annexure XXIII);
- (xxii) Statement of Changes in Inventories of Finished goods and Work in progress, As Restated (Annexure XXIV);
- (xxiii) Statement of Employee Benefit Expense, As Restated (Annexure XXV);
- (xxiv) Statement of Finance Cost, As Restated (Annexure XXVI);
- (xxv) Statement of Depreciation and amortisation, As Restated (Annexure XXVII);
- (xxvi) Statement of Selling, Administrative and other expenses, As Restated (Annexure XXVIII);
- (xxvii) Capitalisation Statement, As Restated (Annexure XXIX);
- (xxviii) Statement of Tax Shelter, As Restated (Annexure XXX);
- (xxix) Statement of Related Parties Transactions, As Restated (Annexure XXXI);
- (xxx) Statement of Accounting Ratios, As Restated (Annexure XXXII);

5. The Company did not declare any dividend on equity shares for the period ended September 30, 2012 and the years ended years ended March 31, 2012, 2011, 2010, 2009 and 2008.

6. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations.

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by M/s. Gunwani & Kolapkar and M/s. P.G Bhagwat nor should it be construed as a new opinion on any of the financial statements referred to therein.

8. This report is intended solely for your information and for inclusion in the offer document in connection with the IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, **Bharat J. Rughani & Co.**  
Chartered Accountants  
Firm Registration No. 101220W  
Proprietor  
Membership No. 040543



**Place:** Mumbai

**Date:** January 09, 2013

## SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

## Annexure I

(₹ In lacs)

Particulars	Annexure No.	As at 30 Sept	As at 31 March				
		2012	2012	2011	2010	2009	2008
<b>EQUITY AND LIABILITIES</b>							
<b>Shareholders' funds</b>							
(a) Share capital	V	217.70	217.70	54.44	10.00	10.00	1.00
(b) Reserves and surplus	VI	1,101.38	964.54	560.28	335.74	191.52	42.16
<b>Share application money pending allotment</b>		-	-	98.80	121.47	121.47	220.00
<b>Non-current liabilities</b>							
(a) Long-term borrowings	VII	30.21	34.23	74.55	-	-	-
(b) Deferred tax liabilities	VIII	10.93	10.27	7.55	6.18	3.62	0.79
<b>Current liabilities</b>							
(a) Short-term borrowings	IX	795.47	894.52	763.65	657.33	452.74	214.32
(b) Trade payables	X	128.69	104.33	173.70	183.50	71.34	66.72
(c) Other current liabilities	XI	89.76	122.72	93.37	34.13	23.49	17.28
(d) Short-term provisions	XII	69.29	59.25	46.31	43.00	30.45	19.15
<b>TOTAL</b>		<b>2,443.43</b>	<b>2,407.56</b>	<b>1,872.65</b>	<b>1,391.35</b>	<b>904.63</b>	<b>581.42</b>
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Fixed assets	XIIIA	167.74	165.62	109.79	76.19	64.21	30.66
(b) Capital Work in Progress	XIIIB	795.92	711.90	555.65	459.87	416.78	216.55
(c) Long-term loans and advances	XIV	127.83	101.21	44.33	-	-	-
<b>Current assets</b>							
(a) Current investments	XV	0.16	0.64	-	-	-	-
(b) Inventories	XVI	532.37	481.62	401.02	261.17	211.05	159.70
(c) Trade receivables	XVII	667.43	758.10	683.57	511.28	172.41	115.93
(d) Cash and cash equivalents	XVIII	58.35	98.38	44.44	23.28	9.49	2.23
(e) Short-term loans and advances	XIX	93.63	90.08	33.86	59.57	30.70	11.35
<b>TOTAL</b>		<b>2,443.43</b>	<b>2,407.56</b>	<b>1,872.65</b>	<b>1,391.35</b>	<b>904.63</b>	<b>581.42</b>

**SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED**  
**Annexure II**

(₹ In lacs)

Particulars	Annexure No.	For the period ended 30 Sept	For the year ended 31 March				
		2012	2012	2011	2010	2009	2008
Revenue from operations (gross)	XX	957.32	1,721.53	1,689.51	1,078.43	669.24	440.04
Less: Excise duty		-	-	-	-	73.66	56.19
Revenue from operations (net)		957.32	1,721.53	1,689.51	1,078.43	595.58	383.85
Other income	XXI	4.67	9.09	2.11	1.07	5.28	7.50
<b>Total revenue</b>		<b>961.99</b>	<b>1,730.63</b>	<b>1,691.62</b>	<b>1,079.50</b>	<b>600.85</b>	<b>391.35</b>
<b>Expenses</b>							
Cost of materials consumed	XXII	617.87	889.06	820.31	381.67	109.23	241.17
Purchases of traded goods	XXIII	-	33.60	62.50	79.13	31.88	51.09
Changes in inventories of finished goods and work-in-progress	XXIV	(104.76)	(91.85)	(46.09)	3.24	64.80	(149.65)
Employee benefits expense	XXV	88.31	169.49	126.12	82.85	71.72	63.31
Finance costs	XXVI	70.04	169.46	106.67	48.23	19.03	25.63
Depreciation and amortisation expense	XXVII	10.82	12.85	10.90	5.48	2.55	1.41
Selling, Administration & Other Expenses	XXVIII	141.09	254.81	384.43	290.08	209.02	96.28
<b>Total expenses</b>		<b>823.37</b>	<b>1,437.41</b>	<b>1,464.84</b>	<b>890.67</b>	<b>508.24</b>	<b>329.24</b>
<b>Profit before tax</b>		<b>138.62</b>	<b>293.21</b>	<b>226.78</b>	<b>188.83</b>	<b>92.62</b>	<b>62.11</b>
<b>Provision for tax</b>							
Current tax		27.73	58.67	45.20	42.05	28.94	18.40
Less: Minimum Alternate Tax credit entitlement		(26.62)	(56.89)	(44.33)	-	-	-
Deferred tax liability		0.66	2.72	1.37	2.56	2.83	0.79
Fringe benefit tax		-	-	-	-	1.50	0.75
<b>Net profit as restated</b>		<b>136.84</b>	<b>288.72</b>	<b>224.53</b>	<b>144.22</b>	<b>59.34</b>	<b>42.16</b>

**SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED**  
**Annexure III**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit / (Loss) before tax, as restated	138.62	293.21	226.78	188.83	92.62	62.11
Adjustments for:						
Depreciation and amortisation	10.82	12.85	10.90	5.48	2.55	1.41
Finance costs	70.04	169.46	106.67	48.23	19.03	25.63
Interest income on fixed deposit	3.45	5.47	2.11	1.07	5.28	7.50
Dividend income	0.01	0.00	-	-	-	-
<b>Operating profit / (loss) before working capital changes</b>	<b>216.02</b>	<b>470.04</b>	<b>342.25</b>	<b>241.46</b>	<b>108.92</b>	<b>81.65</b>
<b>Changes in working capital:</b>						
Adjustments for (increase) / decrease in operating assets:						
Inventories	(50.75)	(80.60)	(139.85)	(50.13)	(51.35)	(159.70)
Trade receivables	90.67	(74.53)	(172.28)	(338.88)	(56.48)	(115.93)
Short-term loans and advances	(3.55)	(56.22)	25.71	(28.87)	(19.35)	(11.35)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payables	24.36	(69.37)	(9.80)	112.16	4.62	66.72
Other current liabilities	(32.96)	29.35	59.24	10.64	6.21	17.28
Cash generated from/(used in) operating activities	243.79	218.67	105.27	(53.61)	(7.430)	(121.32)
Direct taxes paid	17.69	45.73	41.89	29.50	19.15	-
<b>Net cash generated from / (used in) operating activities</b>	<b>226.10</b>	<b>172.94</b>	<b>63.38</b>	<b>(83.11)</b>	<b>(26.58)</b>	<b>(121.32)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Capital expenditure on fixed assets, including capital advances	(96.96)	(224.92)	(140.30)	(60.54)	(191.32)	(293.63)
Current investments not considered as Cash and cash equivalents	0.48	(0.64)	-	-	-	-
Interest received	3.45	5.47	2.11	1.07	5.28	7.50
Dividend received	0.01	0.00	-	-	-	-
<b>Net cash flow from / (used in) investing activities</b>	<b>(93.02)</b>	<b>(220.09)</b>	<b>(138.19)</b>	<b>(59.47)</b>	<b>(186.05)</b>	<b>(286.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of equity shares	-	163.26	44.44	-	9.00	1.00
Security Premium Received	-	115.54	-	-	90.02	-
Share application money, net	-	(98.80)	(22.67)	-	(98.53)	220.00
Repayment of long-term borrowings	(4.02)	(40.33)	74.55	-	-	-
Net proceeds from working capital borrowings	1.13	210.70	151.06	194.16	238.42	-
Net Proceeds from other short-term borrowings	(100.18)	(79.82)	(44.75)	10.43	-	214.32
Finance cost	(70.04)	(169.46)	(106.67)	(48.23)	(19.03)	(25.63)
<b>Net cash generated/ (used in) from financing activities</b>	<b>(173.11)</b>	<b>101.10</b>	<b>95.97</b>	<b>156.36</b>	<b>219.89</b>	<b>409.69</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(40.03)</b>	<b>53.95</b>	<b>21.16</b>	<b>13.78</b>	<b>7.26</b>	<b>2.23</b>
<b>Opening cash and cash equivalents</b>	<b>98.38</b>	<b>44.44</b>	<b>23.28</b>	<b>9.49</b>	<b>2.23</b>	<b>-</b>
<b>Closing cash and cash equivalents</b>	<b>58.35</b>	<b>98.38</b>	<b>44.44</b>	<b>23.28</b>	<b>9.49</b>	<b>2.23</b>
<b>*Reconciliation of Cash and cash equivalents</b>						
Cash on hand	2.36	0.67	0.36	0.34	1.34	0.30
Balances with banks						
Current account	6.79	2.51	2.32	2.94	8.16	1.93
Fixed deposit account	49.20	95.20	41.76	20.00	-	-

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
	58.35	98.38	44.44	23.28	9.49	2.23

#### ANNEXURE IV - STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

##### 1. Background

Opal Luxury Time Products Limited (formerly known as Opal Luxury Time Products Private Limited) (The Company) was incorporated on February 10th, 2007 as a private limited Company. The company converted into a public limited company with change of name as Opal Luxury Time Products Limited vide a fresh certificate of incorporation dated 1st November, 2012. The registered office of the Company is situated at 'Shree Ganesh', Plot No. 31, Shivaji Housing Co - operative society, ICC Tower, Senapati Bapat Road, Pune, India 411016. The Company is engaged in the business of designing, manufacturing and marketing of wall and table clocks.

##### 2. Basis of preparation

The 'Summary Statement of the Assets and Liabilities, As Restated' of the Company as at period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008, the 'Summary Statement of Profits and Losses, As Restated' and the 'Statement of Cash Flows, As Restated' for the period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008 (collectively referred to as 'Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Stock Exchange, and any other statutory/other authorities in connection with initial public offering herein after referred to as 'IPO'.

The audited financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The audited financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

##### a) Presentation and disclosure of Financial Statements

Pursuant to applicability of Revised Schedule VI of Companies Act, 1956 on presentation of Financial Statements for the financial year 2011-12, the Company has set a policy of classifying Assets and Liabilities into Current and Non-Current portion based on the time frame of 12 months from the date of Financial Statements.

##### b) Use of estimates

The preparation of Restated Summary Statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of Restated Summary Statement and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

##### c) Fixed assets

Fixed assets are capitalised at acquisition cost of bringing the assets to the working conditions for the intended use. Fixed assets are stated at cost (Gross block less accumulated depreciation/amortization).

##### d) Depreciation and amortisation

Depreciation on fixed assets is provided at rates as mentioned below, based on estimated economic useful life of the assets on Straight line method, equal to the rates specified in Schedule XIV of the Companies Act, 1956 from the date on which the asset is put to use.

Description	Rate of Depreciation (%)
Office Equipments	6.33%
Factory Fixture	6.33%
Electrification	6.33%
Furniture & Fixtures	6.33%
Vehicles	9.50%
Tools & Equipments	16.21%

##### e) Revenue Recognition

- i. Revenue from sales are recognized on dispatch of goods to the customers and are recorded net of trade discounts, rebates, price adjustments, rejections and shortage in transit, taxes and duties.
- ii. Revenue from services is recognized as and when services are rendered and related costs are incurred, in accordance with the terms of specific contracts.
- iii. Dividends are recorded when the right to receive payment is established.
- iv. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**f) Government Grants and Subsidies**

Revenue grants and subsidies received from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

**g) Investments**

- i. Investments that are readily realizable and intended to be held for not more than one year from the date on which such investment is made are classified as current investments.
- ii. Current investments are carried at lower of cost and fair value, which is determined for each individual investment. Cost includes related expenses such as commission / brokerage etc.
- iii. Long term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

**h) Inventories**

Inventories are valued at lower of cost and net realisable value after providing for the obsolescence and other losses, where considered necessary (FIFO basis). Cost comprises of all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges. Work in Progress and finished goods include appropriation of overheads and where applicable, Excise duty.

**i) Employee Benefits**

- i. Provident fund is a defined contribution plan under which company pays fixed contributions to statutory provident fund authorities in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Contribution paid/payable under the scheme is recognized as an expense in the profit and loss account during the period in which the employee renders the related service. Company has no legal or constructive obligations.
- ii. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. Gratuity provisioning for the qualified employees will be applicable to the company on the completion of 5 operational years.
- iii. Other short term benefits: Expense in respect of other short term benefit is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

**j) Foreign Currency transactions**

- i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Summary Statement of Profits and Losses, As Restated.
- ii. Monetary items outstanding at the balance sheet date and denominated in foreign currency are recorded at the exchange rate prevailing at the end of the period. Differences arising therefrom are recognised in the summary statement of profits and losses, As restated.

**k) Impairment of assets**

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Summary Statement of Profits and Losses, As Restated. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**l) Income Taxes**

- i. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when there is reasonable certainty that future economic benefit associated with it will flow to the Company.
- iii. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax asset are recognised to the extent there is reasonable certainty that sufficient future taxable income available against which such assets can be realised.

**m) Share issue expenses**

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

#### n) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease rentals are expensed with reference to lease terms.

#### o) Earnings per share

- i. Basic earnings per share are calculated by dividing the restated net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and sub-division of shares.
- ii. For the purpose of calculating diluted earnings per share, the restated net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

#### p) Provisions and Contingencies

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i. Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- ii. Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- iii. Present obligation, where a reliable estimate cannot be made in the financial statements.

#### 3. Impact of Material Adjustments

(₹ in lacs)

Sr. No	Particulars	Period ended 30.09.2012	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
1	<b>Provision Of Tax</b>						
	<b>(Refer Note 1 )</b>						
	Prior to restatement adjustment Entry	27.04	59.40	42.00	41.50	27.63	19.98
	Restatement Adjustment - Dr. /(Cr)	(0.70)	0.74	(3.20)	(0.55)	(1.32)	1.58
	<b>As restated</b>	<b>27.73</b>	<b>58.67</b>	<b>45.20</b>	<b>42.05</b>	<b>28.94</b>	<b>18.40</b>
2	<b>Provision for Fringe Benefit Tax (FBT)</b>						
	<b>(Refer Note 1 )</b>						
	Prior to restatement adjustment entry	-	-	-	-	0.92	0.89
	Restatement Adjustment - Dr. /(Cr)	-	-	-	-	(0.59)	0.14
	<b>As restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.50</b>	<b>0.75</b>
3	<b>MAT Credit Entitlement</b>						
	<b>(Refer Note 1 )</b>						
	Prior to Restatement Adjustment Entry	25.92	57.68	41.16	-	-	-
	Restatement Adjustment - Dr./ (Cr)	0.70	(0.79)	3.17	-	-	-
	<b>As restated</b>	<b>26.62</b>	<b>56.89</b>	<b>44.33</b>	<b>-</b>	<b>-</b>	<b>-</b>
4	<b>Duties and Taxes with Interest</b>						
	<b>(Refer Note 2 )</b>						
	Prior to Restatement Adjustment Entry	0.71	13.39	6.30	6.47	-	-
	Restatement Adjustment - Dr./ (Cr)	(0.38)	(0.35)	(0.39)	(0.96)	-	-
	<b>As restated</b>	<b>0.33</b>	<b>13.05</b>	<b>5.92</b>	<b>5.51</b>	<b>-</b>	<b>-</b>
5	<b>Other Non -Operating Income</b>						
	<b>(Refer Note 2 )</b>						



Sr.	Particulars	Period	Year	Year	Year	Year	Year
	Prior to Restatement Adjustment Entry	-	-	-	-	1.72	-
	Restatement Adjustment – Dr./ (Cr)	-	-	-	-	1.72	-
	<b>As restated</b>	-	-	-	-	-	-
<b>6</b>	<b>Net Gain/ (Loss) on Foreign Currency Transactions</b>						
	<b>(Refer Note 3 )</b>						
	Prior to Restatement Adjustment Entry	-	17.51	-	-	-	-
	Restatement Adjustment – Dr./ (Cr)	-	1.88	-	-	-	-
	<b>As restated</b>	-	<b>15.62</b>	-	-	-	-
<b>7</b>	<b>Prior Period Forex fluctuation Gain</b>						
	<b>(Refer Note 3)</b>						
	Prior to Restatement Adjustment Entry	(0.76)	-	-	-	-	-
	Restatement Adjustment – Dr./ (Cr)	1.88	-	-	-	-	-
	<b>As restated</b>	<b>1.13</b>	-	-	-	-	-
<b>8</b>	<b>Deferred tax liabilities (net)</b>						
	<b>(Refer Note 4)</b>						
	Prior to Restatement Adjustment Entry	(1.61)	1.84	2.24	1.02	1.68	0.92
	Restatement Adjustment – Dr. /(Cr)	(2.27)	(0.88)	0.87	(1.54)	(1.16)	0.13
	<b>As restated</b>	<b>0.66</b>	<b>2.72</b>	<b>1.37</b>	<b>2.56</b>	<b>2.83</b>	<b>0.79</b>

#### 4. Explanation to Material Adjustments:

- During the years ended March 31, 2012, 2011, 2010, 2009 and 2008, taxes have been accounted for pertaining to earlier years based on returns filed with Income-tax authorities. For the purpose of the Restated Summery Statements, such items have been appropriately adjusted to the respective years to which they relate.
- During the years ended March 31, 2012, 2011, 2010 and 2009 the short provision for tax for the earlier years have been adjusted under the head of 'Duties and Taxes with Interest'. Also for the year ended March 31, 2008 excess provision for tax for the earlier years have been adjusted under the head of 'Other Non-operating Income'. For the purpose of the Restated Summery Statements, such items have been appropriately adjusted in the provision for tax for the years to which they relate.
- During the year ended March 31, 2012 monetary assets and liabilities denominated in foreign currency were not appropriately adjusted as at the financial year end date as per the requirements of Accounting Standard ('AS') – 11 'The effects of changes in foreign exchange rates'. However, the same had been shown under the head 'Prior Period Forex Fluctuation Gain'. Accordingly, the item have been adjusted under 'Net Gains/Loss on Foreign Currency Transactions' in the year to which they relate.
- During the Period ended September 2012, the company has calculated the Deferred Tax Liability as per AS-22 "Accounting for Taxes on Income" based on difference in the written down value (WDV) as per the books and Income Tax Act, 1961. The said change in accounting policy has been followed retrospectively from period ended March 31, 2008 in the restated Summary Statements.

#### 5. Material Reclassification /adjustments

Appropriate reclassifications/ adjustments have been made in the Summary Statements of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended September 30, 2012 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments made are as under:

- During the year ended March 31 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/ re-classified wherever applicable.
- The company, for the year ended March 31, 2008, was classifying the amount of Capital Advance for Trademark/Goodwill/Business connections under the head 'Loans & Advances'. This has been reclassified in the Statement of Fixed Assets in the Summary Statement of Assets and Liabilities, As Restated.

- 3) Up to the year ended March 31, 2011, interest income was netted off against the interest expenses. Accordingly, interest income has been reclassified under 'Statement of Other income' in the Summary Statement of Profits and Losses, As Restated.
- 4) The Company, up to the year March 31, 2011, was classifying the amount of fluctuation in the foreign currency rate as other income. The same has been reclassified under the Statement of Finance Cost ,As Restated in the Summary Statement of Profit s and Losses , As Restated
- 5) During the period ended September30, 2012 and March 31, 2012 Advance Payment of Taxes was not netted off against the Provision for Taxes for the respective years. Accordingly, the same has been netted in the Restated Summary Statements
- 6) The company, for the year ended March 31, 2010, was classifying the amount of Loans payable to Financial Institutions under the head 'Current Liabilities' . For the purpose of Restated Summary Statements , the same have been reclassified under the head 'Unsecured Loans'
- 7) During the period ended September 30, 2012 and year ended March 31,2012, Provision for doubtful Debts have been grouped under the head 'Other Current Liabilities'. For the purpose of Restated Summary Statements , the same have been reclassified under the head 'Trade Receivables'.
- 8) The company, for the year ended March 31, 2011, was classifying the amount of margin money deposit with bank under the head 'Current Liabilities'. The same has been reclassified under the head 'Cash and Cash Equivalents' in the Restated Summary Statements

#### 6. Leases

The company leases certain office premises under operating lease agreements. The minimum amount payable in future towards the non-cancelable lease is as under.

(₹ in lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Not More than one year</b>	17.65	18.57	12.39	17.36	26.00	13.98
<b>Later than one year but not more than 5 years</b>	69.65	69.65	25.62	95.27	-	9.07
<b>Total</b>	<b>87.31</b>	<b>88.23</b>	<b>38.01</b>	<b>112.63</b>	<b>26</b>	<b>23.06</b>

#### STATEMENT OF SHARE CAPITAL, AS RESTATED Annexure V

(₹ in lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Authorised share capital</b>						
Equity shares of ₹ 10 each	250.00	250.00	55.00	10.00	10.00	1.00
<b>Issued, subscribed and fully paid up</b>						
Equity shares of ₹ 10 each	217.70	217.70	54.44	10.00	10.00	1.00
<b>Total</b>	<b>217.70</b>	<b>217.70</b>	<b>54.44</b>	<b>10.00</b>	<b>10.00</b>	<b>1.00</b>

Class of shares / Name of shareholder	As at 30 Sept, 2012		As at 31 March, 2012		As at 31 March, 2011		As at 31 March, 2010		As at 31 March, 2009		As at 31 March, 2008	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>												
Innovative Venture Limited	1110270	51.00%	1,110,270	51.00%	-	-	-	-	-	-	-	-
Sameer Gujar	433,179	19.90%	433,179	19.90%	25,000	4.59%	25,000	25%	25,000	25%	25,000	25%
Pratibha Gujar	415,851	19.10%	415,851	19.10%	24,000	4.41%	24,000	24%	24,000	24%	24,000	24%
Pravinkumar Jain	100,000	4.59%	100,000	4.59%	100,000	18.37%	-	-	-	-	-	-
Hitesh Kocheta	17,700	0.81%	17,700	0.81%	17,700	3.25%	-	-	-	-	-	-
Vivek Reddy	100,000	4.59%	100,000	4.59%	100,000	18.37%	-	-	-	-	-	-
Ravindra Katre	-	-	-	-	38,878	7.14%	7,140	7.14%	7140	7.14%	714	7.14%
Sanjay Waghulade	-	-	-	-	33,324	6.12%	6120	6.12%	6120	6.12%	612	6.12%
Chandu Chavan	-	-	-	-	166.620	30.61%	30,600	30.60%	30600	30.60%	3,060	30.60%

**STATEMENT OF SHARE CAPITAL, AS RESTATED (Continued.)**

(number of shares, in lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Equity Shares with voting rights,</b>						
Opening Balance	21.77	5.44	1.00	1.00	0.10	-
Issued during the year	-	16.33	4.44	-	0.90	0.10
<b>Closing Balance</b>	<b>21.77</b>	<b>21.77</b>	<b>5.44</b>	<b>1.00</b>	<b>1.00</b>	<b>0.10</b>

STATEMENT OF RESERVES AND SURPLUS, AS RESTATED Annexure VI						
(₹ in lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Reserves and surplus</b>						
<b>Securities premium account</b>						
Balances at the beginning of the period/year	205.56	90.02	90.02	90.02	-	-
Add : received on issue of equity shares	-	115.54	-	-	98.02	-
Less : Utilised for issuance of bonus shares	-	-	-	-	8.00	-
<b>Balance at the end of the period/year (A)</b>	<b>205.56</b>	<b>205.56</b>	<b>90.02</b>	<b>90.02</b>	<b>90.02</b>	<b>-</b>
<b>Surplus in the statement of Profit and Loss</b>						
Balances at the beginning of the period/year	758.98	470.26	245.72	101.50	42.16	-
Add: transferred from statement of profit and loss	136.84	288.72	224.53	144.22	59.34	42.16
<b>Net surplus in the statement of Profit and Loss (B)</b>	<b>895.82</b>	<b>758.98</b>	<b>470.26</b>	<b>245.72</b>	<b>101.50</b>	<b>42.16</b>
<b>Total (A+B)</b>	<b>1,101.38</b>	<b>964.54</b>	<b>560.28</b>	<b>335.74</b>	<b>191.52</b>	<b>42.16</b>

STATEMENT OF LONG TERM BORROWINGS, AS RESTATED Annexure VII						
(₹ in lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Long term borrowings</b>						
From banks						
Unsecured	29.26	24.03	17.95	-	-	-
From other parties						
Secured	0.12	0.34	18.08	-	-	-
Unsecured	0.84	9.86	38.53	-	-	-
<b>Total</b>	<b>30.21</b>	<b>34.23</b>	<b>74.55</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Unsecured loan with banks/ financial institution

Lender	Monthly Instalment (₹)	Tenure of Repayment in months
Kotak Mahindra Bank Limited	64,850	36
Kotak Mahindra Bank Limited	1,61,310	36
Barclays Bank PLC	1,44,878	30
Religare Finvest Limited	84,971	36
Religare Finvest Limited	52,736	36

#### Secured loan with Intec Capital Limited:

Repayment terms and interest rate applicable: Flat rate at 8% per annum and repayment in first 24 monthly instalments of ₹ 2,26,905 each and next 12 monthly instalments of ₹ 4,026 each.

STATEMENT OF DEFERRED TAX LIABILITY, AS RESTATED Annexure VIII						
(₹ in lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Deferred tax liabilities arising on account of:						
Opening balance	10.27	7.55	6.18	3.62	0.79	-
Disallowance u/s 40(a) of Income Tax Act, 1961	0.50	1.05	0.68	1.41	1.58	-
Reversal of previous year 40(a) disallowance of Income Tax Act, 1961		-	(0.16)	(0.22)	-	-
Timing difference in depreciation	0.16	1.66	0.85	1.37	1.25	0.79
<b>Deferred tax Liability/(asset)</b>	<b>10.93</b>	<b>10.27</b>	<b>7.55</b>	<b>6.18</b>	<b>3.62</b>	<b>0.79</b>

STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED Annexure IX						
(₹ in lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Loans repayable on demand From banks	795.47	794.34	583.65	432.58	238.42	-
Loans and advances from other parties Unsecured	-	100.18	180.00	224.75	214.32	214.32
<b>Total</b>	<b>795.47</b>	<b>894.52</b>	<b>763.65</b>	<b>657.33</b>	<b>452.74</b>	<b>214.32</b>

#### Details of security for loan repayable on demand with Central Bank of India

##### Hypothecation

- Book debts and moveable property including all tangible moveable property. Current hypothecated assets include products, goods, stock-in-trade at various sites.

##### Additional Security

- Plant, machinery spare parts, stores, equipment, hardware, software, computers, promoters, communication equipment, furniture, fixtures, fittings, vehicles and other moveable assets both existing and future.
- Fixed deposit of ₹ 3,25,000 for 555 days in account bearing number 3221753757 with Central Bank of India.

##### Other Security

1. Personal guarantee of Mr. Sameer Gujar, Mrs. Pratibha Gujar and Mr. Chandu Chavan.
2. 2,50,000 equity shares of ₹ 10 each of Innoventive Industries Limited held by Mr. Chandu Chavan.
3. Charge on residential property at Pune in the name of Mr. Sameer Gujar and Mrs. Pratibha Gujar.

STATEMENT OF TRADE PAYABLES, AS RESTATED Annexure X						
(₹ In lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Trade payables	128.69	104.33	173.70	183.50	71.34	66.72
<b>Total</b>	<b>128.69</b>	<b>104.33</b>	<b>173.70</b>	<b>183.50</b>	<b>71.34</b>	<b>66.72</b>

STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED Annexure XI						
(₹ In lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Other current Liabilities</b>						
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	25.25	38.20	18.03	23.37	18.79	10.65
(ii) Payables on purchase of fixed assets	-	7.58	4.86	3.47	-	-
(iii) Secured & Unsecured loans repayable within one year	48.28	58.76	59.49	-	-	-
(iv) Other Payables	16.24	18.18	10.99	7.29	4.70	6.63
<b>Total</b>	<b>89.76</b>	<b>122.72</b>	<b>93.37</b>	<b>34.13</b>	<b>23.49</b>	<b>17.28</b>

STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED Annexure XII						
(₹ In lacs)						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Provision for Tax (Net of Advance Taxes)	69.29	59.25	46.31	43.00	30.45	19.15
<b>Total</b>	<b>69.29</b>	<b>59.25</b>	<b>46.31</b>	<b>43.00</b>	<b>30.45</b>	<b>19.15</b>

STATEMENT OF FIXED ASSETS, AS RESTATED						
Annexure XIII A						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Factory Shed</b>						
Gross Block	23.83	23.83	19.62	17.51	14.04	7.30
Depreciation	4.26	3.51	2.18	0.94	0.45	0.11
Net Block	19.57	20.32	17.44	16.58	13.58	7.20
<b>Electrification</b>						
Gross Block	7.56	7.30	6.78	5.18	3.48	3.48
Depreciation	1.95	1.71	1.28	0.97	0.59	0.26
Net Block	5.61	5.58	5.50	4.21	2.90	3.23
<b>Furniture &amp; Fixtures</b>						
Gross Block	85.06	83.10	75.19	49.79	42.29	16.82
Depreciation	16.92	14.26	9.20	4.44	1.63	0.65
Net Block	68.14	68.84	65.98	45.35	40.66	16.17
<b>Office Equipments</b>						
Gross Block	28.49	28.27	25.84	11.43	8.36	4.46
Depreciation	13.93	11.62	7.25	3.06	1.29	0.40
Net Block	14.56	16.64	18.59	8.37	7.07	4.06
<b>Vehicle</b>						
Gross Block	0.52	0.52	0.52	0.52	-	-
Depreciation	0.13	0.10	0.06	0.01	-	-
Net Block	0.39	0.42	0.47	0.52	-	-
<b>Tools</b>						
Gross Block	66.29	55.81	2.19	1.19	-	-
Depreciation	6.83	1.99	0.38	0.03	-	-
Net Block	59.47	53.82	1.81	1.17	-	-
<b>Total Fixed Assets</b>						
Gross Block	211.76	198.82	130.14	85.63	68.17	32.07
Depreciation	44.02	33.20	20.35	9.44	3.97	1.41
Net Block	167.74	165.62	109.79	76.19	64.21	30.66



STATEMENT OF CAPITAL WORK IN PROGRESS ASSETS, AS RESTATED						
Annexure XIII B						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Capital advance given for Trademark/Goodwill/business connections	681.88	681.88	555.65	459.87	416.78	261.55
Capital work in progress - Building/Moulds	114.04	30.01	-	-	-	-
<b>Total</b>	<b>795.92</b>	<b>711.90</b>	<b>555.65</b>	<b>459.87</b>	<b>416.78</b>	<b>261.55</b>

STATEMENT OF LONG TERM LOANS AND ADVANCES, AS RESTATED						
Annexure XIV						
Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
MAT credit entitlement	127.83	101.21	44.33	-	-	-
<b>Total</b>	<b>127.83</b>	<b>101.21</b>	<b>44.33</b>	<b>-</b>	<b>-</b>	<b>-</b>

STATEMENT OF CURRENT INVESTMENTS, AS RESTATED																		
Annexure XV																		
(₹ In lacs)																		
Particulars	As at 30 Sept			As at 31 March														
	2012			2012			2011			2010			2009			2008		
	Quote d	Unquote d	Tota l	Quote d	Unquote d	Tota l	Quote d	Unquote d	Tota l	Quote d	Unquote d	Tota l	Quote d	Unquote d	Tota l	Quote d	Unquote d	Tota l
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Investment in debentures or bonds	0.16	-	0.16	0.15	-	0.15	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current investments	-	-	-	-	0.49	0.49	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0.16</b>	<b>-</b>	<b>0.16</b>	<b>0.15</b>	<b>0.49</b>	<b>0.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STATEMENT OF INVENTORIES, AS RESTATED**  
**Annexure XVI**

(₹ In lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Raw materials	170.66	195.82	258.42	162.86	109.25	10.05
Work-in-progress	76.55	41.88	39.88	26.50	20.38	128.88
Finished goods – Manufacturing	247.76	158.84	87.82	55.11	64.46	20.77
Finished goods – Trading	-	18.83	-	-	-	-
Stores and spares	37.41	66.26	14.90	16.71	16.95	-
<b>Total</b>	<b>532.37</b>	<b>481.62</b>	<b>401.02</b>	<b>261.17</b>	<b>211.05</b>	<b>159.70</b>

**STATEMENT OF TRADE RECEIVABLE, AS RESTATED**  
**Annexure XVII**

(₹ In lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Debt outstanding for a period exceeding six months from the they are due for payment</b>						
Unsecured, considered good	54.23	84.22	56.61	32.10	2.22	-
Unsecured, not considered good	4.73	3.25	-	-	-	-
<b>Other debts</b>						
Unsecured, considered good	613.20	673.88	626.96	479.18	170.19	115.93
Less: Provisions made for doubtful debts	4.73	3.25	-	-	-	-
<b>Total</b>	<b>667.43</b>	<b>758.10</b>	<b>683.57</b>	<b>511.28</b>	<b>172.41</b>	<b>115.93</b>

**STATEMENT OF CASH AND BANK BALANCES, AS RESTATED**  
**Annexure XVIII**

(₹ In lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
Cash in hand	2.36	0.67	0.36	0.34	1.34	0.30
Balances with banks						
In current accounts	6.79	2.51	2.32	2.94	8.16	1.93
In deposit accounts	49.20	95.20	41.76	20.00	-	-
<b>Total</b>	<b>58.35</b>	<b>98.38</b>	<b>44.44</b>	<b>23.28</b>	<b>9.49</b>	<b>2.23</b>

**STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**  
**Annexure XIX**

(₹ In lacs)

Particulars	As at 30 Sept	As at 31 March				
	2012	2012	2011	2010	2009	2008
<b>Other advances and deposits</b>						
Unsecured, considered good	68.53	68.53	16.40	16.40	14.69	5.68
Accrued Interest	1.85	-	-	-	-	-
<b>Loans and advances to employees</b>						
Unsecured, considered good	4.12	2.15	11.00	13.00	1.35	0.80
<b>Prepaid expenses</b>						
Unsecured, considered good	7.74	0.50	0.88	0.34	3.19	-
<b>Balances with authorities</b>						
Unsecured, considered good						
VAT credit receivable	0.61	0.45	-	-	-	-
ISO certification refund	0.41	0.41	-	-	-	-
Duty Drawback	1.52	-	-	-	-	-
Excise Credit	-	-	-	-	0.43	1.04
<b>Others - Advance for Expenses</b>						
Unsecured, considered good	8.84	18.04	3.47	29.83	11.04	3.83
<b>Inter Corporate Loan</b>						
Unsecured, considered good	-	-	2.12	-	-	-
<b>Total</b>	<b>93.63</b>	<b>90.08</b>	<b>33.86</b>	<b>59.57</b>	<b>30.70</b>	<b>11.35</b>

**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**  
**Annexure XX**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Sale of products (Including Traded)	1,021.03	1,815.23	1,745.72	1,178.21	726.36	480.03
Sale of services	1.95	4.59	6.27	3.75	2.98	2.62
Other operating revenues	1.52	1.43	-	-	-	-
Less: Duties & Taxes	67.18	99.71	62.47	103.53	60.10	42.61
<b>Total</b>	<b>957.32</b>	<b>1,721.53</b>	<b>1,689.51</b>	<b>1,078.43</b>	<b>669.24</b>	<b>440.04</b>

**STATEMENT OF OTHER INCOME, AS RESTATED**  
**Annexure XXI**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Interest income	3.45	5.47	2.11	1.07	5.28	7.50
Dividend income 'from current investments	0.01	0.00	-	-	-	-
Other non-operating income	1.21	3.62	-	-	-	-
<b>Total</b>	<b>4.67</b>	<b>9.09</b>	<b>2.11</b>	<b>1.07</b>	<b>5.28</b>	<b>7.50</b>

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Interest income comprises:						
Interest from banks on deposits	3.45	5.47	2.11	1.07	5.28	7.50
<b>Total - Interest income</b>	<b>3.45</b>	<b>5.47</b>	<b>2.11</b>	<b>1.07</b>	<b>5.28</b>	<b>7.50</b>

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Miscellaneous income	1.21	3.62	-	-	-	-
<b>Total - Other non-operating income</b>	<b>1.21</b>	<b>3.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**STATEMENT OF COST OF MATERIAL CONSUMED, AS STATEMENT  
Annexure XXII**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Opening stock	262.08	273.32	179.56	126.20	10.05	-
Add: Purchases during the period/year	563.86	877.81	914.07	435.03	225.39	251.22
Less: Closing stock	208.07	262.08	273.32	179.56	126.20	10.05
<b>Total</b>	<b>617.87</b>	<b>889.06</b>	<b>820.31</b>	<b>381.67</b>	<b>109.23</b>	<b>241.17</b>

**STATEMENT OF PURCHASE OF TRADED GOODS, AS RESTATED  
Annexure XXIII**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Traded goods	-	33.60	62.50	79.13	31.88	51.09
<b>Total</b>	<b>-</b>	<b>33.60</b>	<b>62.50</b>	<b>79.13</b>	<b>31.88</b>	<b>51.09</b>

**STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS, AS RESTATED  
Annexure XXIV**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
<u>Inventories at the end of the year:</u>						
Finished goods	247.76	177.67	87.82	55.11	64.46	20.77
Work-in-progress	76.55	41.88	39.88	26.50	20.38	128.88
	<b>324.31</b>	<b>219.54</b>	<b>127.70</b>	<b>81.61</b>	<b>84.85</b>	<b>149.65</b>
<u>Inventories at the beginning of the year:</u>						
Finished goods	177.67	87.82	55.11	64.46	20.77	-

Work-in-progress	41.88	39.88	26.50	20.38	128.88	-
	<b>219.54</b>	<b>127.70</b>	<b>81.61</b>	<b>84.85</b>	<b>149.65</b>	-
<b>Net (increase) / decrease</b>	<b>(104.76)</b>	<b>(91.85)</b>	<b>(46.09)</b>	<b>3.24</b>	<b>64.80</b>	<b>(149.65)</b>

**STATEMENT OF EMPLOYEE BENEFIT EXPENSES, AS RESTATED**  
**Annexure XXV**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Salaries and wages	82.07	159.89	121.63	80.40	67.29	56.76
Contributions to provident and other funds	4.61	6.92	2.01	-	-	-
Staff welfare expenses	1.63	2.68	2.47	2.45	4.44	6.54
<b>Total</b>	<b>88.31</b>	<b>169.49</b>	<b>126.12</b>	<b>82.85</b>	<b>71.72</b>	<b>63.31</b>

**STATEMENT OF FINANCE COST, AS RESTATED**  
**Annexure XXVI**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
<b>Interest expense on</b>						
- Borrowings	67.18	131.61	85.15	36.36	10.59	24.84
- Others (Duties & Taxes with Interest)	0.33	13.05	5.92	5.51	5.71	-
Other borrowing costs	1.40	9.18	23.99	13.13	2.73	0.99
Net (gain) / loss on foreign currency transactions	1.13	15.62	(8.38)	(6.78)	(0.00)	(0.21)
<b>Total</b>	<b>70.04</b>	<b>169.46</b>	<b>106.67</b>	<b>48.23</b>	<b>19.03</b>	<b>25.63</b>

**STATEMENT OF DEPRECIATION AND AMORTISATION, AS RESTATED**  
**Annexure XXVII**

(₹ In lacs)

Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Depreciation and amortisation for the year/period on fixed assets	10.82	12.85	10.90	5.48	2.55	1.41
<b>Depreciation and amortisation</b>	<b>10.82</b>	<b>12.85</b>	<b>10.90</b>	<b>5.48</b>	<b>2.55</b>	<b>1.41</b>

STATEMENT OF SELLING, ADMINISTRATIVE AND OTHER EXPENSES, AS RESTATED Annexure XXVIII						
(₹ In lacs)						
Particulars	For the period ended 30 Sept	For the year ended 31 March				
	2012	2012	2011	2010	2009	2008
Power and fuel	2.02	1.52	1.38	2.62	3.25	2.73
Rent including lease rentals	8.81	17.73	21.90	25.95	18.92	15.98
Repairs and maintenance	3.08	5.52	1.83	2.79	2.84	1.91
Insurance	5.68	1.26	6.76	3.76	1.17	0.13
Rates and taxes	8.88	16.60	36.13	-	-	-
Communication	2.46	3.33	4.91	3.94	5.12	3.93
Travelling and conveyance	6.03	6.92	33.27	18.23	20.14	6.55
Printing and stationery	0.31	1.00	1.81	0.97	1.13	1.81
Freight and forwarding	30.31	79.32	77.55	41.53	21.64	17.50
Sales commission	5.40	13.75	15.19	27.73	13.97	9.90
Sales discount	23.01	41.35	52.97	78.42	28.37	5.35
Business promotion	10.92	25.67	55.70	49.06	61.12	10.44
Legal and professional	3.88	3.60	9.67	5.53	1.95	0.88
Payments to auditors	0.50	1.00	0.80	0.60	0.60	0.60
Provision for doubtful trade and other receivables	1.48	3.25	-	-	-	-
Miscellaneous expenses	28.34	32.98	64.56	28.94	28.80	18.55
<b>Total</b>	<b>141.09</b>	<b>254.81</b>	<b>384.43</b>	<b>290.08</b>	<b>209.02</b>	<b>96.28</b>

CAPITALISATION STATEMENT, AS RESTATED Annexure XXIX		
(₹ In lacs)		
PARTICULARS	Pre Issue as at September 30, 2012	Post-issue*
<b>Borrowings:</b>		
Short-term debt	795.47	[●]
Long-term debt	30.21	[●]
<b>Total debt</b>	<b>825.68</b>	<b>[●]</b>
<b>Shareholder's funds:</b>		
Share capital	217.70	[●]
Reserve & surplus	1101.38	[●]
<b>Total shareholder's funds</b>	<b>1319.08</b>	
<b>Long term debt/equity ratio</b>	<b>0.02</b>	<b>[●]</b>
<b>Total debt/equity ratio</b>	<b>0.63</b>	<b>[●]</b>

Notes:

- (1) The Long term debt/equity ratio has been computed as under:  
Long term debt/total shareholder's funds
- (2) The total debt/equity ratio has been computed as under:



Total debt/Total shareholders' funds

- (3) Short term debt is considered as debt due within 12 months from the balance sheet date.  
 (4) Long term debt is considered as debt other than short term debt, as defined above.  
 (5) The figures disclosed above are based on the Restated Summary Statements of the Company.

**STATEMENT OF TAX SHELTER, AS RESTATED**  
**Annexure XXX**

(₹ in lacs)

Particulars	For the Period ended	For the Year ended March				
	2012	2012	2011	2010	2009	2008
<b>Profit as per Restated Financials</b>	138.62	293.21	226.78	188.83	92.62	62.11
Normal Rate	33.45%	32.45%	33.15%	33.99%	30.90%	30.90%
Minimum Alternate Tax (MAT)	20.01%	20.01%	19.93%	0.00%	0.00%	0.00%
Tax at Normal Rate	27.73	58.67	45.20	64.18	28.62	19.19
<b>Adjustments</b>						
<b>Tax Impact of Permanent Differences</b>						
Deduction u/s 80-IC of the Income Tax Act, 1961	-	-	-	(22.15)	-	-
Tax on Disallowances as per sec 40 (a) of the Income Tax Act, 1961	-	-	-	1.24	1.37	-
Tax impact of Restatement adjustments	(0.08)	(0.08)	(0.08)	(0.33)	-	-
<b>Total Tax Impact of Permanent Differences</b>	(0.08)	(0.08)	(0.08)	(21.23)	1.37	-
<b>Tax Impact of Timing Differences</b>						
Difference on account of Depreciation as per books and Income Tax Act, 1961	-	-	-	(1.17)	(1.25)	(0.79)
Disallowance u/s 40 a of Income Tax Act, 1961	-	-	-	0.17	0.20	-
Allowance u/s 40 a of Income Tax Act, 1961	-	-	-	(0.22)	-	-
Tax Impact of Restatement Adjustments	0.38	(0.38)	-	-	-	-
<b>Total Tax Impact of Timing Differences</b>	0.38	(0.38)	-	(1.23)	(1.05)	(0.79)
<b>Net Adjustments</b>	0.30	(0.46)	(0.08)	(22.46)	0.33	(0.79)

**STATEMENT OF TAX SHELTER, AS RESTATED**
**Annexure XXX**

(₹ in lacs)

Particulars	For the Period ended	For the Year ended March				
	2012	2012	2011	2010	2009	2008
Net Adjusted Tax Liability	28.04	58.21	45.12	41.72	28.94	18.40
Tax Liability as per return of Income	28.04	58.21	45.12	41.72	28.94	18.40
Liability on Account of Fringe Benefit Tax	-	-	-	-	1.50	0.75

**RELATED PARTY TRANSACTIONS, AS RESTATED**
**Annexure XXXI**
**A. LIST OF RELATED PARTIES**
**1. Key management personnel**

Sr. No.	For the period ended Sept 30,	For the Year ended March 31,				
	2012	2012	2011	2010	2009	2008
1	Mr. Sameer Gujar (Managing Director)	Mr. Sameer Gujar (Managing Director)	Mr. Sameer Gujar (Managing Director)	Mr. Sameer Gujar (Director)	Mr. Sameer Gujar (Director)	Mr. Sameer Gujar (Director)
2	Mrs. Pratibha Gujar (Director)	Mrs. Pratibha Gujar (Director)	Mrs. Pratibha Gujar (Director)	Mrs. Pratibha Gujar (Director)	Mrs. Pratibha Gujar (Director)	Mrs. Pratibha Gujar (Director)
3	-	-	-	-	-	Ms. Deepti Gujar (Director)
4	-	-	-	-	-	Ms. Sujata Mahindrakar (Director)
5	-	-	-	-	-	Ms. Kavita Dhupkar (Director)
6	-	-	-	-	-	Ms. Shubhangi Jadhav (Director)

**2. Firm in which Relatives of key management personnel having interest (With whom transactions have taken place during the year/period)**

Sr. No.	For the period ended Sept 30	For the Year ended March 31,				
	2012	2012	2011	2010	2009	2008
1	-	Opal Industries (Partner at Opal Industries Mr. Subhash Gujar is Father of Mr. Sameer Gujar & Husband of Mrs. Pratibha Gujar)	Opal Industries (Partner at Opal Industries Mr. Subhash Gujar is Father of Mr. Sameer Gujar & Husband of Mrs. Pratibha Gujar)	Opal Industries (Partner at Opal Industries Mr. Subhash Gujar is Father of Mr. Sameer Gujar & Husband of Mrs. Pratibha Gujar)	Opal Industries (Partner at Opal Industries Mr. Subhash Gujar is Father of Mr. Sameer Gujar & Husband of Mrs. Pratibha Gujar)	Opal Industries (Partner at Opal Industries Mr. Subhash Gujar is Father of Mr. Sameer Gujar & Husband of Mrs. Pratibha Gujar)

**3. Holding Company**

Sr. No.	For the period ended Sept 30	For the year ended March 31				
	2012	2012	2011	2010	2009	2008
1	-	Innoventive Venture Limited	-	-	-	-

**B. TRANSACTIONS UNDERTAKEN / BALANCES OUTSTANDING WITH RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS**

**1. Key management personnel**

Sr. No.	Transactions during the year	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
	<b>Mr. Sameer Gujar</b>						
1	Remuneration paid	5.25	8.58	7.20	7.20	6.00	1.24

**2. Firm in which Relatives of key management personnel having interest (With whom transactions have taken place during the year)**

Sr. No	Transactions during the year	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
	<b>Opal Industries</b>						
1	Capital Advance Given (For Trademark/Goodwill/Trade Names/Business Connections)	-	126.23	95.79	43.08	155.23	261.55

**3. Holding Company**

Sr. No	Transactions during the year	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
	<b>Innoventive Venture Limited</b>						
1	Share Capital	-	198.80	-	-	-	-

**C. BALANCE OUTSTANDING**

Sr. No	Balance Outstanding	Period ended Sept 30	For the year ended March 31				
		2012	2012	2011	2010	2009	2008
1.	<b>Firm in which Relatives of key management personnel having interest</b>						
	Opal Industries	681.88	681.88	555.65	459.87	416.78	261.55

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED							
Annexure XXXII							
(₹ in lacs)							
Sr. No	PARTICULARS	For the period ended 30 Sept	For the year ended 31 March				
		2012	2012	2011	2010	2009	2008
A	Net Worth (Rs. In Lacs)	1,319.08	1,182.24	713.52	467.21	322.99	263.16
B	Restated Profit after tax	136.84	288.72	224.53	144.22	59.34	42.16
	<b>Weighted Average number of Equity shares outstanding during the year</b>						
C	For Basic Earnings per share	21.77	12.25	2.48	1.00	0.18	0.10
D	For Diluted Earnings Per Share	21.77	12.25	2.48	1.00	0.18	0.10
E	For Restated Basic Earnings per Share	21.77	12.25	2.48	1.00	0.91	0.90
F	For Restated Diluted Earnings Per Share	21.77	12.25	2.48	1.00	0.91	0.90
G	Basic Earnings Per share in ₹ (B/C)	6.29	23.58	90.49	144.22	339.06	421.65
H	Diluted Earnings Per Share in ₹ (B/D)	6.29	23.58	90.49	144.22	339.06	421.65
I	Restated Basic Earnings Per share in ₹ (B/E)	6.29	23.58	90.49	144.22	65.32	46.85
J	Restated Diluted Earnings Per Share in ₹ (B/F)	6.29	23.58	90.49	144.22	65.32	46.85
K	Return on Net worth (B/A) -	10.37%	24.42%	31.47%	30.87%	18.37%	16.02%
L	Number of shares outstanding at the end of the year	21.77	21.77	5.44	1.00	1.00	0.10
M	Net asset value per share of ₹10 each	60.59	54.31	131.06	467.21	322.99	2,631.65

#### Notes

1. The Ratios have been computed as below:

- Basic Earnings per share : 
$$\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$
- Diluted Earnings per share: 
$$\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted shares outstanding during the year/period}}$$
- Return on net worth (%): 
$$\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year/period}}$$
- Net asset value per share (₹) : 
$$\frac{\text{Net worth at the end of the year (as restated)}}{\text{Total number of equity shares outstanding during the year/period}}$$

2. Earnings per share (EPS) calculation are in accordance with the notified AS 20 'Earnings per share' prescribed by the companies (Accounting Standards) Rules, 2006.

3. During FY 2009, the Company issued four bonus shares for each share held by utilising the balance in securities premium account. In accordance with AS 20 'Earnings per share' prescribed by the companies (Accounting Standards) Rules, 2006', the number of shares outstanding during the year has been restated to reflect the bonus issue for all years presented.
4. The figures stated above are based on the Restated summary statements of the company.
5. Return on net worth, for the period ended September 30, 2012 is not annualised.

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

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 and for the period ended September 30, 2012 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in chapter titled "*Financial Information*" beginning on page 136 of the Red Herring Prospectus.

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

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in section titled "*Risk Factors*" and the chapter titled "*Forward-Looking Statements*" beginning on pages 15 and 13 respectively, of the Red Herring Prospectus.

Our audited financial statements for FY 2008, FY 2009, FY 2010, FY 2011 and FY 2012 and for period ended September 30, 2012 have been restated in accordance with SEBI ICDR Regulations. Such restatement adjustments have been presented as adjustments to our net profit after tax as audited to calculate our profit after tax, as restated. The Management's Discussion and Analysis of Financial Condition and Results of Operations discussions included herein should accordingly be read together with the discussions on restatement adjustments included under '*Impact of Material Adjustments*', Annexure - XIII A titled "*Statement of Fixed Assets, As Restated*" and Annexure II titled "*Summary Statement of Profits and Losses, As Restated*" under the chapter titled "*Financial Information*" beginning on page 136 of the Red Herring Prospectus.

### Overview

We are a premium home décor products manufacturing and marketing company. Currently, we design and manufacture wall and table clocks and market them under two brands: our flagship premium brand 'Opal' and budget brand 'Caliber'.

### Factors Affecting our Results of Operations

Our results of operations, cash flows and financial condition are affected by a number of factors, including the following:

#### 1. Expansion of our distribution network

We believe that our growth over the years is largely because of our ability to leverage multiple sales-channel viz distributors & dealers, organised retail, e-commerce, etc. In addition, we believe that we have been one of the pioneers in extending our distribution network beyond the traditional modes of watch & clock trade like departmental stores, hypermarkets, gifts shops, home décor stores, furniture stores, crockery dealers, etc. Presently, we market our product line through 333 counters and 11 online shopping portals. Expansion of our distribution network remains key factor to growth of business and overall performance.

## 2. Economies of scale

With the increase in the scale of our operations, we believe we have improved our economies of scale in recent years which have positively impacted to the total revenue of the company and consequently better margins. Our expanded retail network and operations is expected to result in competitive advantage over other players in the industry with respect to brand building, marketing and promotion expenses.

## 3. Our ability to successfully implement its strategy of indigenisation and capital expansion plan:

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of its strategy and its growth and expansion plans could impact the Company's roll out schedules for indigenised styles and cause cost and time over runs. We are undergoing indigenisation in our company and our ability to successfully implement these projects will determine our success in the future.

## 4. Procurement of raw materials

We procure raw materials from the suppliers mainly located outside India and we do not enter into any long term contract with any of the suppliers for purchase of materials. Timely procurement of the Raw material remains key factor to business growth and overall performance of our business.

## 5. Ability to attract, recruit and retain skilled personnel:

Our ability to retain the existing talent pool in the company as well as attracting and retaining the future employees of the company will positively impact on the future performance of our company and our expansion and indigenisation plans.

## 6. Brand Promotion Expenses:

We believe that we have first mover advantage into the Indian Premium Wall Clock Market, However, in order to compete effectively with unorganised players, we must build OPAL as a brand which reinforces our quality of products and its premium appeal. Therefore, we continue to invest significant resources on further strengthening the OPAL brand through brand building, marketing and promotional activities. We believe that brand recognition significantly influence consumer purchasing decisions and consequently our sales. While we continue to focus on strengthening our product portfolio based on advanced designs, we will need to continue to invest significant resources in marketing activity to further establish our brand, which will impact our expenditure and profitability. We expect marketing expenses to continue to increase in the future as we continue to invest in the development of our brand and marketing campaigns for the successful launch of New Styles.

## 7. 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 its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macro - economic growth.

## 8. 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. Further dependence on the economic activity in the industry overall will determine the success of our company.



#### 9. Factors affecting industrial activity:

Any change in the factors such as industrial policies, tariffs, excise duties etc. which may affect the activities of the industry etc. may affect our results of operation.

#### 10. Changes in laws and regulations that apply to our industry:

There are some laws and regulations applicable to the industry in which we operate, which we have to comply/follow. In case of a failure to comply with these laws and regulations or to obtain or renew the necessary permits and approvals, our business may be adversely affected.

#### 11. Procurement of raw materials

We procure raw materials from the suppliers mainly located outside India and we do not enter into any long term contract with any of the suppliers for purchase of materials. Timely procurement of the Raw material remains key to business growth and overall performance of our business.

#### 12. Changes in the foreign exchange control regulations, interest rates and tax laws in India.

Any change in the foreign exchange control regulation, 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. The movement of the US Dollar vis-a-vis the Indian Rupee will be an important factor in determining the success of our exports & imports.

#### 13. Consumer preference and product categories

The market for Premium wall clocks in India is characterised by rapidly changing consumer preferences. We believe that the principal factors driving consumer purchasing decisions will continue to be the price to value proposition as consumers seek reliable, quality products with features and functionalities they desire at a price they aspire. We offer designer and functional products at various price points based on combinations of features and materials like glass, aluminium, stainless steel, copper, pure wood, high quality virgin ABS material. We provide after sales services through authorised service centres across India, our unique after sales service makes us the only clock brand in the world to provide "Door Step Service". Our revenue will continue to be dependent upon our ability to create trend changing home décor industry and innovative technologies and related applications at an attractive price to value proposition. Our ability to address consumer preferences, target customer segments and create new markets through the introduction of innovative methods to market by selling clocks through newer channels across retail board leads to value propositions which will be key factors that will continue to affect our future results of operations.

#### 14. Credit terms and inventory management

Our relationships with, and credit terms provided to, our Distributors, Organise Retail partners enable us to manage our working capital requirements. Under our distribution model, we offer marginal short-term credit to our distributors, with most of our distributors paying us on time. In order to effectively manage our inventory, we obtain daily inventory and sales reports from our state and regional distributors detailing the location and styles sold, and endeavour to maintain an optimal level of inventory. The lead time for our supplies is high and as such, our results of operations and cash flows and working capital requirements are impacted by our ability to effectively manage our supply chain and inventories.

### Significant Accounting Policies

Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards notified by Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act require our management to make judgments, estimates and

assumptions regarding uncertainties that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of income and expenditure. Certain key accounting policies relevant to our business and operations have been described below.

## **Presentation and disclosure of Financial Statements**

Pursuant to applicability of Revised Schedule VI of Companies Act, 1956 on presentation of Financial Statements for the financial year 2011-12, the Company has set a policy of classifying Assets and Liabilities into Current and Non-Current portion based on the time frame of 12 months from the date of Financial Statements.

### **(a) Use of estimates**

The preparation of Restated Summary Statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of Restated Summary Statement and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

### **(b) Fixed assets**

Fixed assets are capitalised at acquisition cost of bringing the assets to the working conditions to the intended use. Fixed assets are stated at cost (Gross block less accumulated depreciation and amortization)

### **(c) Depreciation and amortisation**

Depreciation on fixed assets is provided at rates as mentioned below, based on estimated economic useful life of the assets on Straight line method, equal to the rates specified in Schedule XIV of the Companies Act, 1956 from the date on which the asset is put to use.

<b>Description</b>	<b>Rate of Depreciation (%)</b>
Office Equipments	6.33%
Factory Fixture	6.33%
Electrification	6.33%
Furniture & Fixtures	6.33%
Vehicles	9.50%
Tools & Equipments	16.21%

### **(d) Revenue Recognition**

- ii. Revenue from sales are recognized on dispatch of goods to the customers and are recorded net of trade discounts, rebates, price adjustments, rejections and shortage in transit, taxes and duties.
- iii. Revenue from services is recognized as and when services are rendered and related costs are incurred, in accordance with the terms of specific contracts.
- iv. Dividends are recorded when the right to receive payment is established.
- v. Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **(e) Government Grants and Subsidies**

Revenue grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

## **(f) Investments**

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investment is made are classified as current investments.

Current investments are carried at lower of cost and fair value, which is determined for each individual investment. Cost includes related expenses such as commission / brokerage etc.

Long term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

## **(g) Inventories**

Inventories are valued at lower of cost and net realisable value after providing for the obsolescence and other losses, where considered necessary (FIFO basis). Cost comprises of all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges. Work in Progress and finished goods include appropriation of overheads and where applicable, Excise duty.

## **(h) Employee Benefits**

- i. Provident fund is a defined contribution plan under which company pays fixed contributions to statutory provident fund authorities in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Contribution paid/payable under the scheme is recognized as an expense in the profit and loss account during the period in which the employee renders the related service. Company has no legal or constructive obligations.
- ii. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. Gratuity provisioning for the qualified employees will be applicable to the company on the completion of 5 operational years.
- iii. Other short term benefits: Expense in respect of other short term benefit is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

## **(i) Foreign Currency transactions**

- i. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Summary Statement of Profits and Losses, as Restated.
- ii. Monetary items outstanding at the balance sheet date and denominated in foreign currency are recorded at the exchange rate prevailing at the end of the period. Differences arising therefrom are recognised in the summary statement of profits and losses, as restated.

## **(j) Impairment of assets**

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Summary Statement of Profits and Losses, As Restated. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **(k) Income Taxes**

- i. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as

an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when there is reasonable certainty that future economic benefit associated with it will flow to the Company.

- iii. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax asset are recognised to the extent there is virtual certainty that sufficient future taxable income available against which such assets can be realised.

#### **(l) Share issue expenses**

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

#### **(m) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease rentals are expensed with reference to lease terms.

#### **(n) Earnings per share**

Basic earnings per share are calculated by dividing the restated net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and sub-division of shares.

For the purpose of calculating diluted earnings per share, the restated net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **(o) Provisions and Contingencies**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i. Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- ii. Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

Present obligation, where a reliable estimate cannot be made in the financial statements.

#### **Summary Results of Operations**

The following table sets forth select financial data from our profit and loss account as per our restated audited financial statements for FY 2010, FY 2011 and FY 2012, and for the period ended September 30, 2012, the components of which are expressed as a percentage of total income for such periods.

**(₹ in lacs)**

Particulars	Period ended September 30, 2012		Year ending March 31, 2012		Year ending March 31, 2011		Year ending March 31, 2010	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Income</b>								
Revenue from operations	957.32	99.51	1,721.53	99.47	1,689.51	99.88	1,078.43	99.90
Other Income	4.67	0.49	9.09	0.53	2.11	0.12	1.07	0.10
<b>TOTAL</b>	<b>961.99</b>	<b>100.0</b>	<b>1,730.63</b>	<b>100.0</b>	<b>1,691.62</b>	<b>100.0</b>	<b>1,079.50</b>	<b>100.0</b>
y-o-y growth %			2.31		56.70		79.66	
<b>Expenditure</b>								
Raw Material Consumed	513.11	53.34	830.81	48.01	836.72	49.46	464.04	42.99
Employee benefit expenses	88.31	9.18	169.49	9.79	126.12	7.46	82.85	7.67
Selling, Administration & Other Expenses	141.09	14.67	254.81	14.72	384.43	22.73	290.08	26.87
<b>Profit before Interest, Depreciation, Tax and Adjustments</b>	<b>219.48</b>	<b>22.82</b>	<b>475.52</b>	<b>27.48</b>	<b>344.36</b>	<b>20.36</b>	<b>242.53</b>	<b>22.47</b>
Finance cost	70.04	7.28	169.46	9.79	106.67	6.31	48.23	4.47
Depreciation and amortisation expense	10.82	1.12	12.85	0.74	10.90	0.64	5.48	0.51
<b>Total Expenditure</b>	<b>823.37</b>	<b>85.59</b>	<b>1,437.41</b>	<b>83.06</b>	<b>1,464.84</b>	<b>86.59</b>	<b>890.67</b>	<b>82.51</b>
Profit before Tax	138.62	14.41	293.21	16.94	226.78	13.41	188.83	17.49
<b>Provision for tax</b>								
Current Tax	27.73	2.88	58.67	3.39	45.20	2.67	42.05	3.90
Deferred tax liability	0.66	0.07	2.72	0.16	1.37	0.08	2.56	0.24
Fringe Benefit Tax	-	0.0	-	0.0	-	0.0	-	0.0
Minimum Alternate Tax credit entitlement	(26.62)	-2.77	(56.89)	-3.29	(44.33)	-2.62	-	0.0
<b>Net Profit as restated</b>	<b>136.84</b>	<b>14.22</b>	<b>288.72</b>	<b>16.68</b>	<b>224.53</b>	<b>13.27</b>	<b>144.22</b>	<b>13.36</b>

## Income

We are engaged in the manufacturing, assembly, marketing and distribution of high end designer wall clocks, table clocks under the brand name OPAL.

Our total income was ₹ 961.99 lacs for the period ended September 30, 2012 as compared to ₹ 1,730.63 lacs for FY 2012, ₹ 1,691.62 lacs for FY 2011 and ₹ 1,079.50 lacs for the FY 2010 representing year over year increases of 2.31% and 56.70% respectively. Our total income increased at a CAGR of 21.24% over FY 2010 to the period ended September 30, 2012. Our revenues comprise income from sale of Wall clocks, Table clocks, and Digital clocks.

## Expenditure

Our total expenditure consists of expenses incurred on Raw materials consumed, Employee benefit expenses, other manufacturing expenses, Selling and Administration expenses, Interest & Finance charges and Depreciation and Amortisation. Our total expenditure as a percentage of our total income was 85.59%, 83.06%, 86.59% and 82.51% for the period ended September 30, 2012 and FY 2012, FY 2011 and FY 2010 respectively which in turn in conjunction with the income growth has allowed registering restated EBIDTA and Net profit after tax CAGR of 21.87% and 23.80% over FY 2010 to the period ended September 30, 2012 respectively.

## Raw Materials Consumed

Raw Materials consumed consist of expenses on purchase of primary raw material which is procured from suppliers based in Taiwan, Japan, China, etc. Raw Materials consumed amounted to 53.34%, 48.01%, 49.46% and 42.99% of our total income for the period ended September 30, 2012 and FY 2012, FY 2011 and FY 2010 respectively.

## Employee benefit expenses

Employee benefit expenses consist of expenses of salary, wages and bonus, contribution to provident funds, gratuity and other employee welfare benefits and miscellaneous staff welfare expenses. Employee benefit expenses amounted to 9.18%, 9.79%, 7.46% and 7.67% of our total income for the period ended September 30, 2012 and FY 2012, FY 2011 and FY 2010 respectively.

## Selling, Administration & Other Expenses

Selling, administration and other expenses consists of rent rates and taxes, insurance, freight and packaging, printing and stationery, telephone expenses, travelling and conveyance, provision for doubtful debts, auditors remuneration, and other administration expenses. It has accounted for 14.67%, 14.72%, 22.73% and 26.87% of our total income for the period ended September 30, 2012 and FY 2012, FY 2011 and FY 2010 respectively. Company has been incurring selling & administration expenses on an increasing basis year after year for better market penetration and expanding the geographical reach as well as product base worldwide.

## Finance cost

Finance cost consists of bank charges, interest on term loans, working capital loans, and other financial charges. Interest and financial charges accounted for 7.28%, 9.79%, 6.31% and 4.47% of our total income for the period ended September 30, 2012 and FY 2012, FY 2011 and FY 2010 respectively. For further details on our secured and unsecured borrowings, please refer to the chapter titled “Financial Indebtedness” beginning on page 184 of the Red Herring Prospectus.

## Depreciation and amortisation expense

Depreciation on Fixed assets is provided on Straight Line Method as per rates prescribed in Schedule-XIV to the Companies Act 1956. The rates of depreciation used for our accounting purpose is mentioned as follows:

Particulars	Rate of Depreciation
Office Equipment	6.33%
Factory Fixture	6.33%
Electrification	6.33%
Furniture & Fixtures	6.33%
Vehicles	9.50%
Tools & Equipment	16.21%

## Taxation

We provide for current taxes, comprising of income tax, fringe benefit tax, and deferred taxes. Tax on income is determined on the basis of taxable income and is computed in accordance with the provisions of applicable law. Deferred tax arises mainly due to the timing difference between accounting income and the taxable income for the period and is quantified using the tax rates and laws enacted as on the relevant balance sheet date. Our deferred tax liability is recognised net of deferred tax assets, if any. We have also claimed MAT Credit ₹ 26.62 lacs for the period ended September 30, 2012 and in FY 2012 and FY 2011 were amounting to ₹ 56.89 lacs and ₹ 44.33 lacs respectively.

For further information on tax benefits available to us, please refer to chapter titled '*Statement of Tax Benefits*' beginning on page 74 of the Red Herring Prospectus.

## **Components of Income and Expenditure**

### **Income**

Our income comprises revenue from operations and other income.

### **Revenue from Operations**

We derive income from the sale of clocks manufactured by us as well as the services provided by us.

We are engaged in the manufacturing, assembly, marketing and distribution of high end designer wall clocks, table clocks under the brand name OPAL.

### **Other Income**

Other income primarily includes Interest Income and Miscellaneous Income like Duty Drawback which is a rebate on the duty paid for export sales.

### **Expenditure**

**Our expenditure comprises (i) cost of materials consumed, (ii) change in inventory, (iii) employee costs, (iv) Finance costs, (v) depreciation and amortisation expenses and (vi) other expenses.**

### **Cost of Materials Consumed**

Cost of materials consumed comprises (i) raw material consumed and (ii) purchase of goods for resale/trading, as adjusted for any increase or decrease in our inventory stock and (iii) consumables.

Raw material consumed represents the materials which are used for the manufacture of our products, primarily natural rubber, synthetic rubber and carbon black.

Purchase of goods for resale mainly represents the rubber that we purchase to sell to other companies like tyre manufacturers.

### **Change in Inventory**

Change in Inventory comprise of difference in opening and closing balance of Finished Goods, Work in Progress and Stock in Trade

### **Employee Benefits Expenses**

Employee cost comprises salaries, wages and bonus, contributions to provident and other funds, staff welfare payments, LTA and leave encashment.

### **Finance Costs**

Finance charges comprise interest expense relating to our secured and unsecured loans as well as other bank charges for non-fund based facilities.

### **Selling, Administrative and Other Expenses**

Selling, administrative and Other Expenses include (i) Manufacturing and Other Direct Expenses, (ii) Administration and Selling Expenses and (iii) Sales Tax, Service Tax and Other Indirect Tax Expenses.

### **Financial of period ended September 30, 2012**



Our results of operations for the period ended September 30, 2012 were particularly influenced by the following factors:

- Improved realisation from the products.
- Benefits available on account of Tax Benefits available status available to the Roorkee Unit.
- Streamlining of operations.

#### Income

Our total income ₹ 961.99 lacs for the period ended September 30, 2012.

#### Revenue from Operations

Our primary source of revenue from operations is sale of wall clocks, Table clocks and Digital clocks. Our Revenue from operations for the period ended September 30, 2012 were 99.51% of the total income amounts to ₹ 957.32 lacs.

#### Other Income

Other Income for the period ended on September 30, 2012 was 0.49% of the total income amount to ₹ 4.67 lacs.

#### Expenditure

Our total expenditure for the period ended September 30, 2012 were 85.59% of the total income amounts to ₹ 823.37 lacs.

#### Raw Materials consumed

Our raw materials consumed for the period ended September 30, 2012 were 53.34% of the total income amounts to ₹ 513.11 lacs.

#### Employee benefit expenses

Our employee benefit expenses for the period ended September 30, 2012 were 9.18% of the total income amounts to ₹ 88.31 lacs.

#### Selling, Administration and other Expenses

Our Selling, administration and other expenses for the period ended September 30, 2012 were 14.67% of the total income amounts to ₹ 141.09 lacs.

#### Finance Cost

Our Finance cost for the period ended September 30, 2012 were 7.28% of the total income amounts to ₹ 70.04 lacs.

#### Depreciation and amortisation expense

Our depreciation charge for the period ended September 30, 2012 were 1.12% of the total income amounts to ₹ 10.82 lacs.

#### Provision for Taxation

Our provision for taxation (net of MAT Credit) for the period ended September 30, 2012 were 0.19% of the total income amounts to ₹ 1.78 lacs which include current tax, deferred tax, MAT credit

amounts to ₹ 26.62 lacs. The effective current tax rate for the period ended September 30, 2012 was 32.45% and MAT rate of 20%.

#### Net Profit, As Restated

Our Net profit after tax, as restated for the period ended September 30, 2012 were 14.22% of the total income amounts to ₹ 136.84 lacs.

#### FY 2012 compared to FY year 2011

Our results of operations for the FY 2012 were particularly influenced by the following factors:

- Improvement in production and material handling efficiencies
- Benefits available on account of Tax Benefits available status available to the Roorkee Unit.
- Poor market conditions due to economic slowdown

#### Income

Our total income increased by 2.31% to ₹ 1,730.63 lacs for the FY 2012 from ₹ 1,691.62 lacs for the FY 2011. The nominal growth was lead largely by increased realisation.

#### Revenue from operations

Our primary source of revenue from operations is sale of wall clocks, Table clocks and Digital clocks. Our Revenue from operations increased by 1.90% to ₹ 1,721.53 lacs for FY 2012 from ₹ 1,689.51 lacs in FY 2011.

#### Other Income

Other Income increased by 331.68% to ₹ 9.09 lacs for FY 2012 from ₹ 2.11 lacs for the FY 2011 on account of interest income of ₹ 5.47 lacs for FY 2012 as compared to ₹ 2.11 lacs for FY 2011 and other income like Duty drawback of ₹ 3.61 lacs in FY 2012 as compared to Nil in FY 2011.

#### Expenditure

Our total expenditure decreased by 1.87% to ₹ 1,437.41 lacs for the FY 2012 from ₹ 1,464.84 lacs for the FY 2011. However, on year on year basis total expenditure as a percentage of total income has reduced from 86.59% in FY 2011 to 83.06% in FY 2012 primarily because of better realisations, increase in operational efficiency and product mix in the sales composition of our company as described above.

#### Raw Materials consumed

Our raw materials consumed decreased by 0.71% to ₹ 830.81 lacs for the FY 2012 from ₹ 836.72 lacs for the FY 2011. Raw materials consumed as a percentage to Total Income has reduced from 49.46% in FY 2011 to 48.01% in FY 2012 due to better realisations. Our material handling efficiency and better realisations also contributed to the reduction in the overall raw material cost.

#### Employee benefit expenses

Our employee benefit expenses increased by 34.39% to ₹ 169.49 lacs for the FY 2012 from ₹ 126.12 lacs for the FY 2011, primarily on account of increase in the number of employees and also because of increase in salary levels during the year.

#### Selling, administration and other Expenses

Our Selling administration and other expenses decreased by 33.72% to ₹ 254.81 lacs for the FY 2012 from ₹ 384.43 lacs for the FY 2011, mainly due to reduced discounts, better freight and transport costs as a result of focused supply chain management, and reduced expenditure in FY 2012 on advertisement for seasonal and discount schemes

#### Finance cost

Our Finance cost increased by 58.86% to ₹ 169.46 lacs for the FY 2012 from ₹ 106.67 lacs for the FY 2011. The increase is on account of increase in borrowings in FY 2012 especially working capital, further there has foreign exchange fluctuation loss in March 31, 2012 and also the interest rates went up during this period

#### Depreciation and amortisation expense

Our depreciation charge increased by 17.85% to ₹ 12.85 lacs for the FY 2012 from ₹ 10.90 lacs for the FY 2011 due to addition in the gross block by ₹ 68.68 lacs to ₹ 198.82 lacs during the FY 2012.

#### Provision for Taxation

Our provision for taxation (net of MAT Credit) increased to ₹ 4.49 lacs for the FY 2012 from ₹ 2.24 lacs for the FY 2011. These include current tax, deferred tax, and MAT credit amounting to ₹ 56.89 lacs for the FY 2012 as compared to ₹ 44.33 lacs for the FY 2011. The effective tax rate for FY 2012 was 32.45% as compared to 33.15% for FY 2011.

#### Net Profit, As Restated

Our Net profit after tax, as restated increased by 28.59% to ₹ 288.72 lacs for the FY 2012 from ₹ 224.53 lacs for the FY 2011.

### **FY 2011 compared to FY 2010**

Our results of operations for the FY 2011 were particularly influenced by the following factors:

- Benefits available on account of Tax Benefits available status available to the RoorkeeUnit.
- Expansion in distribution network

#### Income

Our total income increased by 56.70% to ₹ 1,691.62 lacs for the FY 2011 from ₹ 1,079.50 lacs for the FY 2010, primarily due to growth in sales volume lead by increased and improved distribution network

#### Revenue from operations

Our primary source of revenue from operations on a consolidated basis is sale of wall clocks, Table clocks and Digital clocks Our Revenue from operations increased by 56.66% to ₹ 1,689.51 lacs for FY 2011 from ₹ 1078.43 lacs in FY 2010. It was largely due to improved distribution network, growth in sales volume and better realisation.

#### Other Income

Other Income increased by 96.21% to ₹ 2.11 lacs for FY 2011 from ₹ 1.07 lacs for the FY 2010 on account of interest income of ₹ 2.11 lacs for FY 2011 as compared to ₹ 1.07 lacs for FY 2010. It was largely due to increase in interest income.

#### Expenditure

Our total expenditure increased by 64.46% to ₹ 1,464.84 lacs for the FY 2011 from ₹ 890.67 lacs for the FY 2010. However, on year on year basis total expenditure as a percentage of total income has increased from 82.51% in FY 2010 to 86.59% in FY 2011 mainly due to increased raw material cost, direct expenses, employee benefit expenses due to increase in head count and level of salary increase, selling, distribution and general expenses and increase in finance cost on account of significant increase in borrowings.

#### Raw Materials consumed

Our raw materials consumed increased by 80.31% to ₹ 836.72 lacs for the FY 2011 from ₹ 464.04 lacs for the FY 2010. Raw materials consumed as a percentage to Total Income has increased from 42.99% in FY 2010 to 49.46% in FY 2011 due to increase in the volume.

#### Employee benefit expenses

Our employee benefit expenses increased by 52.23% to ₹ 126.12 lacs for the FY 2011 from ₹ 82.85 lacs for the FY 2010, primarily on account of increase in the number of employees and also because of increase in salary levels during the year.

#### Selling & Administration and other Expenses

Our Selling administration and other expenses increase by 32.52% to ₹ 384.43 lacs for the FY 2011 from ₹ 290.08 lacs for the FY 2010, mainly due to increase in freight and forwarding, Business promotion, tour expenses for the marketing purpose, taxes reimbursement to distribution network.

#### Finance cost

Our Finance cost increased by 121.18% to ₹ 106.67 lacs for the FY 2011 from ₹ 48.23 lacs for the FY 2010. The increase is on account of increase in borrowings in FY 2011. Further, there has been significant increase in borrowings as at March 31, 2011.

#### Depreciation and amortisation expense

Our depreciation charge increased by 99.16% to ₹ 10.90 lacs for the FY 2011 from ₹ 5.48 lacs for the FY 2010 due to addition in the gross block by ₹ 44.51 lacs to ₹ 130.14 lacs during the FY 2011.

#### Provision for Taxation

Our provision for taxation (net of MAT Credit) decreased by 94.97% to ₹ 2.24 lacs for the FY 2011 from ₹ 44.61 lacs for the FY 2010. These include current tax, deferred tax and MAT credit amounting to ₹ 44.33 lacs for the FY 2011 as compared to Nil for the FY 2010. The effective tax rate for FY 2011 was 33.15% as compared to 33.99% for FY 2010.

#### Net Profit, As Restated

Our Net profit after tax, as restated increased by 55.69% to ₹ 224.53 lacs for the FY 2011 from ₹ 144.22 lacs for the FY 2010.

#### **FY 2010 compared to FY 2009**

Our results of operations for the FY 2010 were particularly influenced by the following factors:

- Expansion in distribution network

#### Income

Our total income increased by 79.65% to ₹ 1,079.50 lacs for the FY 2010 from ₹ 600.85 lacs for the FY 2009, primarily due to better realisations, increase in operational efficiency and improved distribution network of our company.

#### Revenue from operations

Our primary source of revenue from operations on a consolidated basis is sale of wall clocks, Table clocks and Digital clocks. Our Revenue from operations increased by 81.07% to ₹ 1,078.43 lacs for FY 2010 from ₹ 595.58 lacs in FY 2009.

#### Other Income

Other Income decreased by 79.65% to ₹ 1.07 lacs for FY 2010 from ₹ 5.28 lacs for the FY 2009 on account of interest income of ₹ 1.07 lacs for FY 2010 as compared to ₹ 5.28 lacs for FY 2009.

#### Expenditure

Our total expenditure increased by 75.25% to ₹ 890.67 lacs for the FY 2010 from ₹ 508.24 lacs for the FY 2009. However, on year on year basis total expenditure as a percentage of Total Income has decreased from 84.59% in FY 2009 to 82.51% in FY 2010 primarily because of increase in purchases leads to increase in raw material consumption, direct expenses, increase in employee benefit expenses which is because of level of salary increase and head count, selling & distribution expenses and increase in finance cost due to enhancement of bank borrowings.

#### Raw Materials consumed

Our raw materials consumed increased by 125.36% to ₹ 464.04 lacs for the FY 2010 from ₹ 205.91 lacs for the FY 2009.

#### Employee benefit expenses

Our employee benefit expenses increased by 15.51% to ₹ 82.85 lacs for the FY 2010 from ₹ 71.72 lacs for the FY 2009, primarily on account of increase in the number of employees and also because of increase in salary levels during the year.

#### Selling Administration and other Expenses

Our Selling administration and other expenses increase by 38.78% to ₹ 290.08 lacs for the FY 2010 from ₹ 209.02 lacs for the FY 2009, mainly due to increase in the distribution cost like freight & forwarding expenses, Rent expenses as company shifted factory to Uttarakhand for tax benefits, increase in sales discounts like scheme discounts, offers availed to distribution channels during the year.

#### Finance cost

Our Finance cost increased by 153.46% to ₹ 48.23 lacs for the FY 2010 from ₹ 19.03 lacs for the FY 2009. The increase is on account of increase in borrowings in FY 2010. Further, there has been significant increase in borrowings as at March 31, 2010.

#### Depreciation and amortisation expense

Our depreciation charge increased by 114.59% to ₹ 5.48 lacs for the FY 2010 from ₹ 2.55 lacs for the FY 2009 due to addition in the gross block by ₹ 17.45 lacs to ₹ 85.63 lacs during the FY 2010.

#### Provision for Taxation

Our provision for taxation increased by 34.03% to ₹ 44.61 lacs for the FY 2010 from ₹ 33.28 lacs for the FY 2009. These include current tax, deferred tax and fringe benefit tax. The effective tax rate for FY 2010 was 33.99% as compared to 30.90% for FY 2009.

#### Net Profit, As Restated

Our Net profit after tax, as restated increased by 143.06% to ₹ 144.22 lacs for the FY 2010 from ₹ 59.34 lacs for the FY 2009.

#### Cash Flows

The following table sets forth selected items from our restated cash flow statement for the periods indicated:

Particulars	(₹ in lacs)			
	For the period ended September 30, 2012	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010
Net cash provided by/(used in) operating activities	226.10	172.94	63.38	(83.11)
Net cash provided by/(used in) investing activities	(93.02)	(220.09)	(138.19)	(59.47)
Net cash provided by/(used in) financing activities	(173.11)	101.10	95.97	156.36
Net increase / (decrease) in cash and cash equivalents	(40.03)	53.95	21.16	13.78

- Cash and cash equivalents decreased to ₹ 58.35 lacs as of September 30, 2012 against ₹ 98.38 lacs as of March 31, 2012.
- Cash and cash equivalents increased to ₹ 98.38 lacs as of March 31, 2012 against ₹ 44.44 lacs as of March 31, 2011.
- Cash and cash equivalents increased to ₹ 44.44 lacs as of March 31, 2011 against ₹ 23.28 lacs as of March 31, 2010.
- Cash and cash equivalents increased to ₹ 23.28 lacs as of March 31, 2010 against ₹ 9.49 lacs as of March 31, 2009.

Cash and cash equivalents include bank deposits, current account balances and cash in hand.

#### Operating Activities

Net cash from operating activities for the period ended September 30, 2012 was ₹ 226.10 lacs. Our working capital adjustments for FY2012 were ₹ 27.76 lacs primarily consisting of decrease in current liabilities of ₹ 8.60 lacs and an increase in inventories of ₹ 50.75 lacs due to increased purchases, and an decrease in sundry debtors of ₹ 90.67 lacs and an increase in short term loans and advances of ₹ 3.55 lacs.

Net cash from operating activities in FY2012 was ₹ 172.94 lacs. Our working capital adjustments for FY2012 were ₹ 251.37 lacs primarily consisting of decrease in current liabilities of ₹ 40.02 lacs and an increase in inventories of ₹ 80.60 lacs due to increased purchases, and an increase in sundry debtors of ₹ 74.53 lacs and an increase in short term loans and advances of ₹ 56.22 lacs.

Net cash from operating activities in FY2011 was ₹ 63.38 lacs. Our working capital adjustments for FY2011 were ₹ 236.98 lacs primarily consisting of an increase in current liabilities of ₹ 49.44 lacs and an increase in inventories of ₹ 139.85 lacs, both due to increased purchases, and an increase in sundry debtors of ₹ 172.28 lacs and an decrease in short term loans and advances of ₹ 25.71 lacs.

Net cash used in operating activities in FY2010 was ₹ 83.11 lacs. Our working capital adjustments for FY 2010 were ₹ 295.07 lacs primarily consisting of an increase in current liabilities of ₹ 122.80 lacs and an increase in inventories of ₹ 50.13 lacs, both due to increased purchases, and an increase in sundry debtors of ₹ 338.88 lacs and an increase in short term loans and advances of ₹ 28.87 lacs on account of advance to employees for expenses, prepaid expenses and deposits.

#### Investing Activities

Net cash used in investing activities was ₹ 93.02 lacs for period ended September 30, 2012 primarily due to additions of fixed assets including capital advances for 'Trademarks' and 'Business know-how, Connections & Related Goodwill' amounting to ₹ 96.96 lacs and interest income of ₹ 3.45 lacs.

Net cash used in investing activities was ₹ 220.09 lacs for FY 2012, primarily due to additions of fixed assets including capital advances for 'Trademarks' and 'Business know-how, Connections & Related Goodwill' amounting to ₹ 224.92 lacs and interest income of ₹ 5.47 lacs.

Net cash used in investing activities was ₹ 138.19 lacs for FY 2011, primarily due to additions of fixed assets including capital advances for 'Trademarks' and 'Business know-how, Connections & Related Goodwill' amounting to ₹ 140.30 lacs and interest income of ₹ 2.11 lacs

Net cash used in investing activities was ₹ 59.47 lacs for FY 2010, primarily due to additions of fixed assets including capital advances for 'Trademarks' and 'Business know-how, Connections & Related Goodwill' amounting to ₹ 60.54 lacs and interest income of ₹ 1.07 lacs.

#### Financing Activities

Net cash used in financing activities was ₹ 173.11 lacs for period ended 30, Sept 2012, as a result of net decrease of the long term borrowings by ₹ 4.02 lacs, net decrease in borrowings by ₹ 99.05 lacs and finance cost amount to ₹ 70.04 lacs.

Net cash generated from financing activities was ₹ 101.10 lacs for FY 2012, as a result of net decrease of the long term borrowings by ₹ 40.33 lacs, net increase in borrowings by ₹ 130.88 lacs, finance cost amount to ₹ 169.46 lacs and issuance of shares with premium (net of share application money) amounting to 180.00 lacs.

Net cash generated from financing activities was ₹ 95.97 lacs for FY 2011, as a result of net increase in the long term borrowings by ₹ 74.55 lacs, net increase in borrowings by ₹ 106.32 lacs, finance cost amount to ₹ 106.67 lacs and issuance of shares (net of share application money) amounting to 21.77 lacs.

Net cash generated from financing activities was ₹ 156.36 lacs for FY 2010, as a result net increase in borrowings by ₹ 204.59 lacs and finance cost amount to ₹ 48.23 lacs.

#### Financial Condition

As per our restated summary statements, as of September 30, 2012, our net worth was ₹ 1,319.08 lacs compared to ₹ 1,182.24 lacs as of March 31, 2012.

#### Assets

The following table sets forth the principal components of our assets for the periods indicated as per our restated consolidated summary statements:

(₹ in lacs)



Particulars	As at September 30	As at March 31		
	2012	2012	2011	2010
Fixed Assets	167.74	165.62	109.79	76.19
Capital work in progress	795.92	711.90	555.65	459.87
Investments	0.16	0.64	-	-
Current Assets, Loans & Advances	1,479.62	1,529.40	1,207.21	855.30
<b>Total</b>	<b>2,443.43</b>	<b>2,407.56</b>	<b>1,872.65</b>	<b>1,391.35</b>

### Fixed Assets

Fixed assets increased by ₹ 55.83 lacs during the FY 2012 as compared to the FY 2011 and ₹ 33.60 lacs during the FY 2011 as compared to the FY 2010. Fixed assets increased by ₹ 11.98 lacs during the FY 2010 as compared to the FY 2009. This was on account of furniture, fixture and tools.

### Capital Work in progress

Capital work in progress largely includes advance for 'Trademarks' and 'Business know-how, Connections & Related Goodwill'.

### Liabilities and Provisions

Liabilities and provisions consist primarily of:

(₹ in lacs)

Particulars	As at September 30, 2012	As at March 31		
		2012	2011	2010
Secured Loan	795.59	794.68	601.72	432.58
Unsecured Loan	30.09	134.07	236.48	224.75
Current Liabilities & Provisions	287.74	286.30	313.38	260.63
Deferred Tax Liabilities	10.93	10.27	7.55	6.18
<b>Total</b>	<b>1,124.36</b>	<b>1,225.32</b>	<b>1,159.14</b>	<b>924.14</b>

### Secured and Unsecured Loans

As of September 30, 2012, our total secured and unsecured loan (as per our Restated consolidated Summary Statements) was ₹ 825.68 lacs.

This represents term loan facilities sanctioned to our company from Central Bank of India, Intec Capital Limited, Kotak Mahindra Limited, Religare Finvest Limited, and Barclays Bank PLC.

### Contractual Obligations and Commercial Commitments

There are no contractual obligations and commercial commitments where our company is involved.

### Contingent Liabilities

As of September 30, 2012 there are no contingent liabilities.

### Indebtedness

As of March 13, 2013, our total outstanding debt was ₹ 1,332.56 lacs. For further information on our secured loans, including the debt covenants that we are bound by, please refer to the chapter titled "Financial Indebtedness" beginning on page 184 of the Red Herring Prospectus.

## Off-Balance Sheet Transactions

As of September 30, 2012, we have not entered into any off-balance sheet transactions.

## Seasonality

Historically the 3<sup>rd</sup> and 4<sup>th</sup> quarter have been more profitable than the 1<sup>st</sup> and 2<sup>nd</sup> quarter. For related risks, please refer to risk factor number 26 under the section titled '*Risk Factors*' beginning on page 15 of the Red Herring Prospectus.

## Related Party Transactions

From time to time, we enter into transactions with companies that are controlled by members of our Promoter group and other related parties in the ordinary course of business. For details regarding our related party transactions, please refer to Annexure - XXXI titled "*Statement of Related Parties Transactions, As Restated*" under the chapter titled "*Financial Statements*" beginning on page 136 of the Red Herring Prospectus.

## QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

Market risk is the risk of loss related to adverse changes in market prices, which includes interest rate risk and commodities risk. We are exposed to commodity risk to a certain extent, interest rate risk for the borrowings undertaken and deposits and credit risk in the normal course of our business.

### Interest rate risk

Our cash flow and fair value interest rate risks mainly relate to our fixed and floating rate borrowings. Any increase in interest rates may adversely affect our ability to service our borrowings and to finance the development of new projects, all of which may in turn adversely affect our business and results of operations. We had floating-rate borrowings, as of March 13, 2013, amounting to ₹ 800.09lacs.

Other than bank deposits with fixed interest rate, we have no other significant interest-bearing assets. Our directors do not consider our Company's exposure of the bank deposits to interest rate risk to be significant as interest rates of bank deposits are not expected to fluctuate significantly.

### Commodity risk

We are exposed to market risk with respect to the prices of raw materials used in manufacturing/assembling of wall clocks. These commodities primarily are Virgin ABS, Stainless Steel, Pure Wood, Aluminium, Copper, Plastic etc. The costs of these materials are subject to fluctuation based on commodity prices. The cost of materials sourced from outside manufacturers may also fluctuate based on their availability from supplier. We do not have any long term contracts for purchase of these materials. We currently do not have any hedging mechanism in place in respect of any of the materials we purchase.

### Foreign exchange risk

We operate in India and our transactions arising from our principal activities are principally denominated in Rupees, which is our functional currency. For related risks, please refer to the section titled '*Risk Factors*' beginning on page 15 of the Red Herring Prospectus. Please see – Risk Factors – for more information.

### Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

### **Significant Developments after September 30, 2012**

1. Capitalisation of Capital Work-in-Progress of ₹ 100.00 lacs and ₹ 581.88 lacs under 'Trademarks' and 'Business know-how, Connections & Related Goodwill' respectively, under 'Fixed assets' of our Company.
2. Our Company has availed an unsecured borrowing from HDFC Bank Limited on November 06, 2012 for ₹ 15.00 lacs.

Except as stated above, there are no developments after September 30, 2012 that we believe are expected to have a material impact on our reserves, profits, earnings per Equity Share, book value or ability to pay our liabilities within the next twelve months.

### **Unusual or infrequent events or transactions**

Except as discussed in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

### **Significant economic changes**

Except as discussed in this Red Herring Prospectus, to the best of our knowledge, there have been no other significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

### **Known trends or uncertainties**

Our business has been impacted and we expect will continue to be impacted by the trends identified in this section and the uncertainties described in the section titled "*Risk Factors*" beginning on page 15 of the Red Herring Prospectus. To our knowledge, except as we have described in this Red Herring Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

### **Future relationship between costs and revenues**

Except as described in this section titled "*Risk Factors*" and the chapter titled "*Business Overview*" beginning on pages 15 and 92 respectively, of the Red Herring Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

### **Significant regulatory changes that materially affected or are likely to affect income from continuing operations**

Except as described in the chapter titled "Key Industry-Regulations" beginning on page 100 of the Red Herring Prospectus, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations. For related risks, please refer to the section titled '*Risk Factors*' beginning on page 15 of the Red Herring Prospectus. Please see – Risk Factors – for more information.

### **The extent to which our business is seasonal**

Except as described in this Red Herring Prospectus, our business is not seasonal in nature.

### **Any significant dependence on a single or few suppliers or customers**

Substantial portion of our revenues in the past has been dependent on few customers. For the half-year ended September 30, 2012, our top ten customers accounted for approximately 60% of our revenue of which, we have long-term contracts with seven of them only. For related risks, please refer to risk factor number 13 under the section titled '*Risk Factors*' beginning on page 15 of the Red Herring Prospectus.

#### Competitive Conditions

Please refer to the chapters titled "*Business Overview*" & "*Industry Overview*" and the section titled "*Risk Factors*" beginning on pages 92, 100 and 15 respectively, of the Red Herring Prospectus, for discussions regarding competition.

## FINANCIAL INDEBTEDNESS

The following is a summary of our Company's indebtedness as on March 13, 2013:

(₹ in lacs)

Sr. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	1,269.06
2.	Unsecured Borrowings	63.49
	<b>Total</b>	<b>1,332.56</b>

### A) Details of Secured Borrowings:

#### 1. Working Capital Loan from Central Bank of India ("Bank")

The details of the borrowing are set out below.

Amount Sanctioned in ₹	Financing documents	Amount outstanding as on March 13, 2013 (₹ in lacs)	Repayment schedule and Interest payable
13,00,00,000  (Fund based: ₹ 800 lacs; Non-Fund based: ₹ 500 lacs)	<ul style="list-style-type: none"> <li>Facility originally sanctioned on February 06, 2009. This facility has since been modified on several occasions, with the latest modification being on the date May 10, 2012</li> <li>MCA Charge ID 10145755</li> </ul>	1,268.66	<b>For Fund based Working Capital:</b> Repayable on demand with interest at bank rate + 3% per annum

### Description of security:

#### Hypothecation

- Book debts and moveable property including all tangible moveable property such as products, stock in trade, present and future book debts upto 90 days outstanding, outstanding money receivable, claims, contracts, securities, comprising of the complete set as per style number, clock movements, batteries, glass packing material etc.  
Current hypothecated assets include products, goods, stock-in-trade at various sites.

#### Additional Security

- Plant, machinery spare parts, stores, equipment, hardware, software, computers, prometers, communication equipment, furniture, fixtures, fittings, vehicles and other moveable assets both existing and future.
- Fixed deposit of ₹ 3,25,000 for 555 days in account bearing number 3221753757 with Central Bank of India.

#### Pledge

- 2,50,000 equity shares of ₹ 10 each of Innoventive Industries Limited held by Mr. Chandu Chavan.

#### Mortgage

- Charge on residential property at Pune in the name of Mr. Sameer Gujar and Mrs. Pratibha Gujar.

### Personal Guarantees

- Mr. Sameer Gujar;
- Mrs. Pratibha Gujar; and
- Mr. Chandu Chavan

As regards the Issue, we have received no objection certificates (NOC) from the Bank *vide* their letter dated February 01, 2013.

#### **2. Term Loan from Intec Capital Limited ("Bank"):**

The details of the borrowing are set out below.

Amount Sanctioned in ₹	Financing documents	Amount outstanding as on March 13, 2013 (₹ in lacs)	Tenure	Repayment schedule and Interest payable
Term Loan for ₹ 65,87,550	<ul style="list-style-type: none"> <li>• Facility originally sanctioned on December 27, 2010. There has been no modification since the facility was granted.</li> <li>• MCA charge ID 10357410</li> </ul>	0.40	36 months	<p>Flat rate at 8% per annum and repayment in first 24 monthly instalments of ₹ 2,26,905 each and next 12 monthly instalments of ₹ 4,026 each</p> <p>The facility is recallable on demand at the discretion of the Bank</p>

#### **Description of security:**

#### **Moveable property (not being pledge)**

First and exclusive charge on the assets by way of equitable mortgage on moulds.

### Personal Guarantees

- Mr. Sameer Gujar;
- Mrs. Pratibha Gujar; and
- Mr. Chandu Chavan

As regards the Issue, we have received no objection certificates (NOC) from the Bank *vide* their letter dated November 29, 2012.

#### **B) Details of unsecured borrowings**

Lender	Date of sanction	Amount sanctioned (in ₹ lacs)	Monthly Instalment (₹)	Tenure of Repayment in months	Principal amount outstanding as on March 13, 2013 (₹ in lacs)
HDFC Bank Limited	November 06, 2012	15.00	53,479	36	13.68
Kotak Mahindra	October 05, 2012	18.00	64,850	36	15.92

Lender	Date of sanction	Amount sanctioned (in ₹ lacs)	Monthly Instalment (₹)	Tenure of Repayment in months	Principal amount outstanding as on March 13, 2013 (₹ in lacs)
Bank Limited					
Kotak Mahindra Bank Limited	August 29, 2011	45.00	1,61,310	36	24.03
Barclays Bank PLC	November 29, 2010	35.00	1,44,878	30	4.22
Religare Finvest Limited	September 27, 2010	24.00	84,971	36	5.63
	<b>Total</b>				<b>63.49</b>

*The discrepancy in the table between the total and the sum of the amounts listed is due to rounding off.*



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Directors and Promoters and there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions / small scale undertaking(s), defaults against banks / financial institutions / small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue / other liabilities, proceedings initiated for / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors or our Promoters that would result in a material adverse effect on our business taken as a whole.*

*Further, except as disclosed hereunder, our Company, our Directors or our Promoters have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.*

*For details of the contingent liabilities of our Company please refer to the section titled ‘Financial Information’ beginning on page 136 of the Red Herring Prospectus.*

### OUTSTANDING LITIGATION

#### I. Outstanding cases involving our Company

##### A. Outstanding cases against our Company

*Nil*

##### B. Outstanding cases by our Company

*Nil*

#### II. Outstanding cases involving our Promoters

##### *Civil Cases*

##### A. Outstanding cases against our Promoters

1. Mr. Noordin Karmali Mulani had filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881 and a civil suit number on April 27, 2007 against M/s. Opal Industries for payment of ₹ 60,00,000 with an interest thereon. Thereafter, *vide* Settlement Agreement dated October 05, 2009 between Mr. N. K. Mulani and M/s. Opal Industries, Mr. Sameer Gujar & Mr. Pratibha Gujar, (Mr. Sameer Gujar & Mr. Pratibha Gujar hereinafter referred to jointly, as the “**Promoters**”), the liability of repayment of the said ₹ 60,00,000 (“**Amount**”) was taken over by Mr. Subhash Gujar (one of the partners of M/s. Opal Industries) in his personal capacity and secured by personal guarantees and share pledge of 4,900 Equity Shares by the Promoters for the repayment of the Amount by Mr. Subhash Gujar. The due date for repayment of the Amount was March 31, 2012. Thereafter, *vide* letter dated March 31, 2012 (“**Letter of Extension**”) to Mr. Mulani, Mr. Subhash Gujar (M/s. Opal Industries), sought an extension for repayment of the Amount to March 31, 2013.

Accordingly, in a notice dated May 22, 2012, from M/s. Kale & Shinde, Solicitors, Pune, on behalf of Mr. N. K. Mulani, it was stated that there was a failure in the repayment of the Amount and hence, the Letter of Extension was not tenable. Accordingly, Mr. N. K. Mulani was now entitled to invoke the pledge of 4,900 Equity Shares of the Company, have the same

transferred to his name and take other legal action. Thereafter, on July 31, 2012, Mr. N. K. Mulani has filed a suit bearing stamp number ARPST/20871/2012 before the High Court of Bombay ("Court") under the provisions of the Arbitration and Conciliation Act, 1996 against M/s. Opal Industries, Mr. Sameer Subhash Gujar and Mrs Pratibha Subhash Gujar.

The matter is pending for admission before the Court

B. Outstanding cases by our Promoters

*Nil*

### III. Outstanding cases involving our Directors

A. Outstanding cases against our Directors

*Our Promoter are involved in a pending litigation. For details, please refer to the heading "Outstanding cases against our Promoters".*

B. Outstanding cases by our Directors

*Nil*

### POTENTIAL LITIGATION INVOLVING OUR COMPANY

*Nil*

### DETAILS OF PAST CASES OF PENALTIES IMPOSED ON OUR COMPANY/ PROMOTERS/ DIRECTORS

There are no penalties imposed on our Company/ our Promoters/ our Directors in the preceding five years by SEBI, RBI or any of the stock exchanges.

### OTHER CONFIRMATIONS

There are no defaults made or instances of non-payment of statutory dues or any disciplinary action taken by the SEBI or any other stock exchanges against our Company or our Directors nor there are any pending proceedings initiated for economic offences or civil offences or any such proceedings in the past where our Company or our Directors were found guilty.

### AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

Other than in accordance with the mutually accepted terms in our agreements with our suppliers, wherein the credit period has been determined, we believe there are no other creditors or small scale undertakings to which a sum exceeding ₹ 1 lac is due for a period of more than 30 days to be paid by us.

### MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as disclosed in the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 164 of the Red Herring Prospectus, there are no material developments that have arisen since the date of the last financial statements contained in this Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “*Key Industry-Regulations*” beginning on page 100 of the Red Herring Prospectus.

### A. ISSUE RELATED APPROVALS

1. In-principle listing approval from the NSE dated January 29, 2013 bearing letter number NSE/LIST/193322-3 for listing the Equity Shares allotted pursuant to the Issue on the SME Platform.
2. The Issue has been authorised by a resolution passed by the Board of Directors of our Company at its meeting held on October 15, 2012, subject to an approval of shareholders of our Company.
3. The Issue has been authorised by a resolution passed by the shareholders of our Company, adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra-ordinary General Meeting held on October 25, 2012.
4. Our Board of Directors has, pursuant to a resolution passed at its meeting held on January 22, 2013 approved the Red Herring Prospectus to be filed with NSE.

### B. CORPORATE APPROVALS

1. Certificate of Incorporation dated February 10, 2007 in the name of “Opal Luxury Time Products Private Limited” bearing Corporate Identity Number U33309PN2007PTC129597 has been issued to our Company by Registrar of Companies, Maharashtra, Pune.
2. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated November 01, 2012 bearing Corporate Identity Number U33309PN2007PLC129597 has been issued to our Company by Registrar of Companies, Maharashtra, Pune pursuant to change of name of our Company to “Opal Luxury Time Products Limited”.
3. Certificate of Importer-Exporter Code bearing IEC number 3106022426 dated March, 30, 2007 issued by the Foreign Trade Development Officer, Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, to our Company for our Roorkee Unit.

### C. BUSINESS RELATED APPROVALS

1. Permanent Account Number (“**PAN**”) AAACO9040R has been allotted to our Company by the Income Tax Department, Government of India, as per the provisions of the Income Tax Act, 1961. The same is valid w.e.f. February 10, 2007 until cancellation.
2. Our Company’s Tax Deduction Account Number (“**TAN**”) PNEO01578D has been allotted to our Company by Income Tax Department, Government of India, as per the provisions of the Income Tax Act, 1961. The same is valid until cancellation.
3. Certificate of Registration under the Central Sales Tax (Registration & Turnover) Rules, 1957 for registration as a dealer under the Central Sales Tax Act, 1956 and Tax payer Identification

Number (TIN) being 27870602179C dated December 13, 2012, issued by the Sales Tax Officer VAT-C-103, Registration Branch, Pune. The same is valid w.e.f. April 13, 2007 until cancellation.

4. Certificate of Registration under The Maharashtra Value Added Tax Act, 2002 for registration as a dealer and Tax payer Identification Number (TIN) being 27870602179V dated December 13, 2012, issued by the Sales Tax Officer VAT-C-103, Registration Branch, Pune. The same is w.e.f. April 13, 2007 valid until cancellation.
5. Certificate of Registration under sub-section (1) of Section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing P. T. R. C. number 27870602179P dated December 01, 2012 for registration as an employer, issued by the Profession Tax Office (5) , Pune Division, Pune.
6. Certificate of Enrolment under sub-section (2) or sub-section (2A) of Section 5 of Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing P. T. E. C. number 99051774657P dated December 01, 2012, issued by the Profession Tax Office (5), Pune Division, Pune.

#### **D. APPROVALS RECEIVED FOR THE REGISTERED OFFICE**

1. Establishment Registration Certificate dated October 29, 2012 bearing registration number Shivaji/II/39162 issued by the Inspector of Establishment, Office of Inspector under Bombay Shops and Establishments Act, 1948, State Government of Maharashtra, Pune for registration as Comm. BH. under the Bombay Shops and Establishments Act, 1948. The same is valid w.e.f. January 18, 2010 until December 2013.

#### **E. APPROVALS RECEIVED FOR ROORKEE UNIT**

1. Registration and Licence to Work a Factory bearing H. W. R. – 1190 under the provisions of the Factories Act, 1948, issued by the Chief Inspector of Factories, Uttarakhand and valid until December 31, 2013.
2. Service Tax Code (Registration number) AAACO9040RSD002 under the Finance Act, 1994 and the Service Tax Rules, 1994 for registration with the Central Excise Department, issued to our Company by Superintendent, Range: Service Tax, Roorkee.
3. Recognition Certificate bearing number 05009525716 under Uttaranchal Value Added Tax Act, 2005 for registration as a dealer and allotment of Registration with effect from January 04, 2010 issued to our Company by Assistant Commissioner, Sector-2, Roorkee, Department of Commercial Tax, Government of Uttaranchal. The same is valid until cancellation.
4. Letter dated June 28, 2010 for allotment of Employees State Insurance Code number 61000017400000699 and registration under the Employee State Insurance Act, 1948 issued by Deputy Director, Regional Office, Employee State Insurance Corporation, Dehradun, Uttarakhand. The same is valid until cancellation.
5. Allotment of Code number UK/36306 dated October 06, 2010 under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 issued to our Company by the Regional Provident Fund Commissioner (Compliance), Employees Provident Fund Organisation, Regional Office, Uttarakhand, Dehradun and the same is valid until cancellation.
6. Registration as a commodity manufacturer/packer/exporter for our Company's Roorkee Unit *vide* registration certificate dated January 02, 2013 bearing Registration number 236-(97)/P.C.N./G.A.-2012 under the Legal Metrology (Packaged Commodities) Rules, 2011 issued to our Company by the Controller, Legal Metrology, Uttarakhand, Dehradun, Office of

the Controller, Legal Metrology, Uttarakhand, Government of Uttarakhand. The same is valid until cancellation.

7. Acknowledgement Part-II (revised issue) for allocation of Entrepreneur's Memorandum dated December 21, 2012 bearing Registration Number 050131101365 for manufacturing as a Micro Enterprise for manufacturing wall clocks, time pieces, wrist watches and leather accessories, issued to our Company by the General Manager, District Industries Centre, Roorkee, Directorate of Industries, Government of Uttarakhand.
8. Consent Order dated July 20, 2012 bearing Consent Order number AWH12737 under the Water (Pollution, Prevention & Control) Act, 1974 and the Air (Pollution, Prevention & Control) Act, 1981 for disposal of effluents and issuing Consent to Operate issued to our Company by the Regional Officer (P), Regional Office, Uttarakhand Environment Protection & Pollution Control Board, Designe Building, Irrigation Campus, Roorkee, and the same is valid upto March 31, 2017.
9. Authorisation to operate a facility dated July 20, 2012 bearing Authorisation Number UEPPCB/RO/HAZ/11 under Hazardous Waste (Management, Handling and Transboundary Movement) Rules 2008 for collection, storage and disposal of Hazardous Waste for our Company's Unit at Roorkee, issued by the Regional Officer (I/C), Regional Office, Uttarakhand Environment Protection and Pollution Control Board, Designe Building, Irrigation Campus, Roorkee and the same is valid upto March 31, 2017.
10. Letter dated December 22, 2009 from the General Manager, District Industry Centre, Roorkee for granting permission to take the premises of our Roorkee Unit on rent for a period of five years.
11. Letter dated March 10, 2010 for allotment of electrical load of 40 kW for our Roorkee Unit, issued by the Executive Engineer, Electricity Distribution Region (Urban), Roorkee.
12. Certificate of Registration dated December 21, 2012 bearing Registration number 658/D. C. L./2012 under the Contract Labour (Regulation and Abolition) Act, 1970 issued by the Regional Deputy Labour Commissioner, Dehradun, Government of Uttarakhand.

#### **F. APPROVALS IN RELATION TO THE OBJECTS OF THE ISSUE**

We have not received any approvals in relation to the objects of the Issue. However, we have made application(s) seek such approvals details of which are set forth below:

Nil

#### **G. LICENSES WHICH HAVE BEEN APPLIED FOR BUT YET NOT BEEN APPROVED/GRANTED**

Nil

#### **H. MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY**

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue of Equity Shares has been authorised by a resolution passed by the Board of Directors at their meeting held on October 15, 2012. The shareholders have, at the Extra-Ordinary General Meeting of our Company held on October 25, 2012, approved the Issue pursuant to Section 81 (1A) of the Companies Act. Our Board of Directors has, pursuant to a resolution passed at its meeting held on March 14, 2013 approved the Red Herring Prospectus to be filed with NSE and the RoC.

The National Stock Exchange of India Limited have given their in-principle approval listing of the Equity Shares allotted pursuant to the Issue on the SME Platform pursuant to letter number NSE/LIST/193322-3 dated January 29, 2013. For the purposes of this Issue, NSE shall be the Designated Stock Exchange.

### Prohibition by SEBI, RBI or Governmental authority

Our Company, our Directors, our Promoters, the Promoter Group, or the person (s) in control of our Company have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

Further, none of our Directors are or were directors of any listed company during the last five years preceding the date of filing of the Red Herring Prospectus, whose share have been or were suspended from being traded on any of the stock exchange(s) in India, during the term of their directorship in those companies.

None of our Directors are associated in any manner with any entity, which are engaged in securities market related business and are registered with the SEBI for the same.

Our Company, our Directors, our Promoters and the relatives of our Promoters (as defined under the Companies Act), have not been identified as wilful defaulters by RBI / or any other government authorities and there are no violations of securities laws committed by them in the past or any proceedings currently pending against them.

### Eligibility for this Issue

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI ICDR Regulations as the post issue face value capital does not exceed Rupees Ten crore.

We confirm that:

In accordance with Regulation 106P of the SEBI ICDR Regulations, this Issue has been hundred per cent underwritten and that the BRLM has underwritten more than 15% of the Issue Size. For further details pertaining to the underwriting arrangements, please refer to the chapter titled "*General Information*" beginning on page 38 of the Red Herring Prospectus.

In accordance with regulation 106O of the SEBI ICDR Regulations, our company has not filed any draft offer document with SEBI nor has SEBI issued any observations on this Red Herring Prospectus. Also, we shall ensure that the BRLM files the copy of the Red Herring Prospectus along with a Due



Diligence Certificate including additional confirmations as required by SEBI, at the time of filing the Red Herring Prospectus with NSE.

In accordance with Regulation 106V of the SEBI (ICDR) Regulations, IDBI Capital Market Services Limited, as the BRLM, will ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details pertaining to the market making arrangements please refer to the chapter titled “General Information” beginning on page 38 of the Red Herring Prospectus.

In accordance with Regulation 106Q of the SEBI ICDR Regulations, the minimum application value shall not be less than Rupees One lac per application. Further, we undertake that the number of Allottees in the Issue shall be atleast 50. Otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

**The filing of the Red Herring Prospectus does not, however, absolve our Company 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 Red Herring Prospectus.**

**Note:**

**All legal requirements pertaining to the issue will be complied with at the time of filing of the Red Herring Prospectus with NSE and the Registrar of Companies, Maharashtra, Pune, in terms of Section 56, Section 60 and 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 Registrar of Companies, Maharashtra, Pune in terms of Sections 56, 60 and 60B of the Companies Act.**

**DISCLAIMER STATEMENT OF OUR COMPANY, OUR DIRECTORS, AND THE BOOK RUNNING LEAD MANAGER**

Our Company, the Directors and the Book Running Lead Manager 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 our Company and anyone placing reliance on any other source of information, including our Company’s website [www.opalclocks.com](http://www.opalclocks.com) would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement, the Underwriting Agreement and the Market Making Agreement entered into with our Company.

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 show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, nor our Directors, officers, or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

**Caution**



Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the BRLM 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 in the Issue.

## Jurisdiction

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

## 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 authorised to invest in Equity Shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), trusts (registered under Societies Registration Act, 1860, or any other trust law and are authorised under their constitution to hold and invest in Equity Shares) and to eligible NRIs and FIIs as defined under the Indian Laws and other eligible foreign investors (i.e., FVCIs, multilateral and bilateral development financial institutions). The Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to equity shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about and to observe any such restrictions.

Any disputes arising out of this Issue will be subject to the jurisdiction of courts in Mumbai, Maharashtra, India only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been submitted to the National Stock Exchange of India Limited. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date of the Red Herring Prospectus.

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue, by its acceptance of the Red Herring Prospectus and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company, the BRLM that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
3. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

Our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and the purchaser acknowledges that our

Company, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

### **Disclaimer Clause of the National Stock Exchange of India Limited**

As required, a copy of the Draft Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/193322-3 dated January 29, 2013 permission to the Issuer to use the Exchange's name in the Draft Red Herring Prospectus as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Filing**

The Red Herring Prospectus will be filed with the National Stock Exchange of India Limited. A copy of the Red Herring Prospectus, along with documents to be filed under Section 60B of the Act, and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration to the ROC at the office of the Registrar of Companies, Pune, Maharashtra.

In accordance with regulation 106O of the SEBI ICDR Regulations, our company has not filed any draft offer document with SEBI nor has SEBI issued any observations on this Red Herring Prospectus. However, a copy of the Prospectus will be filed with SEBI along with a Due Diligence Certificate including additional confirmations as required by SEBI, at the time of filing the Prospectus with NSE and the Registrar of Companies, Pune.

### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Small and Medium Enterprises platform of National Stock Exchange of India Limited. Initial listing applications have been made to the NSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. NSE shall be the Designated Stock Exchange for this Issue. In case the permission for listing of the Equity Shares is not granted by the above mentioned Stock Exchange, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it (i.e. from the date of refusal or within ten working 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 expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

Our Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading on the Small and Medium Enterprises platform of National Stock Exchange of India Limited are taken within twelve Working Days of Bid/Issue Closing Date.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act which is reproduced below:

**“Any person who-**

- a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or**
- b) otherwise induces a company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

### **Consents**

Consents in writing of our Directors, our Company Secretary and Compliance Officer, the Statutory Auditor, the Legal Advisors, the Bankers to our Company, the Book Running Lead Manager, the Syndicate Members\*, the Escrow Collection Banks\*, Refund Bank(s)\*, the Market Maker\*, the Nominated Investor\* and the Registrar to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with RoC and have agreed that such consents will not be withdrawn upto the time of delivery of the Prospectus for registration, as is required under Section 60 and 60B of the Companies Act.

*\*The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

**M/s. Bharat J. Rughani & Co.,** Chartered Accountants, our Statutory Auditor have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Prospectus for registration to the Registrar of Companies.

**M/s. Bharat J. Rughani & Co.,** Chartered Accountants, our Statutory Auditor have given their written consent to the statement of tax benefits accruing to our Company and its members in the form and context in which it appears in the Red Herring Prospectus and such consent and statement will not be withdrawn upto the time of delivery of the Prospectus for registration with the Registrar of Companies.

### **Expert Opinion**

Except the report of CRISIL Limited in respect of the IPO Grading of this Issue (a copy of which is annexed to the Red Herring Prospectus), furnishing the grading rationale for their grading which will be provided to the NSE and the reports of the Statutory Auditors to our Company on the restated financial statements, statement of tax benefits and in respect information contained in the chapters titled ‘Other Regulatory and Statutory Disclosures’, ‘Financial Information’ and ‘Statement of Tax Benefits’ beginning on page 192, 136 and 74, respectively, of the Red Herring Prospectus, our Company has not obtained any expert opinions.

### **Disclaimer clause of the IPO Grading Agency**

This report has been sponsored by the National Stock Exchange of India Ltd. A CRISIL SME Fundamental Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue. A CRISIL SME Fundamental Grading is neither an audit of

the issuer by CRISIL nor is it a credit rating. Every CRISIL SME Fundamental Grade 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 SME Fundamental Grade 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 issuer / users / distributors of CRISIL SME Fundamental Grading. For more information please contact 'Client Servicing' at +91-22-33423561, or via e-mail: clientservicing@crisil.com

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ [●]. The expenses of the Issue payable by our Company includes, among others, brokerage, fees payable to the Book Running Lead Manager to the Issue and Registrar to the Issue, legal fees, stamp duty, printing and distribution expenses and listing fees and other miscellaneous expenses estimated as follows:

(₹ in lacs)			
Particulars	Amounts	As percentage of total expenses	As a percentage of Issue size
Lead management fees (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Others:	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Listing fees	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

### Fees payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Issue Agreement signed between our Company and the Book Running Lead Manager a copy of which is available for inspection at our Registered Office from 10.00 am to 4.00 pm on all Working Days during the Bid/Issue Period.

### Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement dated December 26, 2012 signed between our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office from 10.00 am to 4.00 pm on all Working Days during the Bid/Issue Period.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds to unsuccessful applicants.

### Previous public or rights issues by our Company during the Last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of the Red Herring Prospectus.

#### **Previous issue of shares otherwise than for cash**

Except as disclosed in the chapter “Capital Structure” beginning on page 48 of the Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **Commission or brokerage on previous issues**

No sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

#### **Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue since inception**

Neither our Company nor any other company under the same management within the meaning of Section 370(1B) of the Companies Act is listed on any of the stock exchanges or has not made any capital issue since inception, except Innoventive Venture Limited.

#### **Promise vs. Performance – Previous Issues of our Company**

Our Company has not made any public issue of Equity Shares since its incorporation.

#### **Outstanding debentures or bond issues**

As on the date of filing the Red Herring Prospectus, our Company does not have any outstanding debentures or has made any bond issue.

#### **Outstanding Preference Shares**

As on the date of filing the Red Herring Prospectus, our Company does not have any outstanding preference shares.

#### **Stock Market Data**

Our Company is an “unlisted issuer” in terms of the SEBI ICDR Regulations, and this being the first public issue in terms of the SEBI ICDR Regulations no stock market data is available for the Equity Shares of our Company.

#### **Disclosure on Investor Grievances and Redressal System**

The Agreement between the Registrar to the Issue and our Company entered on December 26, 2012 provides for retention of records with the Registrar to this Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch, Broker Centre or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the Syndicate / Sub- Syndicate Members or Broker Centre to whom the bid was submitted (at ASBA Bidding Locations), 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 relevant SCSB or details of the Syndicate/ Sub- Syndicate Members (at ASBA Bidding Locations) or the Broker Centre to whom the bid was submitted where the ASBA form was submitted by the ASBA Bidders.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be ten business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible. Our Company has also constituted an Shareholders'/Investors' Grievance Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares.

Our Company has appointed Mr. Nikhil Deshpande, Company Secretary as the Compliance Officer and he may be contacted at Shree Ganesh, Plot No. 31, Shivaji Housing Society, Behind ICC Tower, Senapati Bapat Road, Pune - 411 016, Maharashtra., Tel: + 91 - 20 - 2563 1919; Extn: 109; Fax: 2563 1919; Extn: 111; Email: investor.grievance@opalclocks.com for redressal of any complaints.

### Changes in the statutory auditors

Except as stated below, there has been no change in the statutory auditors of our Company in the last three years:

Name of the Statutory Auditors	Date of Appointment	Date of Cessation
M/s P. G. Bhagwat, Chartered Accountants, Pune	February 15, 2007	July 30, 2008
M/s Gunwani & Kolapkar & Co., Chartered Accountants, Pune	July 30, 2008	September 30, 2011
M/s. Bharat J. Rughani & Co., Chartered Accountants, Pune	September 30, 2011	August 06, 2012
M/s Gunwani & Kolapkar & Co., Chartered Accountants, Pune	August 06, 2012	September 24, 2012
M/s. Bharat J. Rughani & Co., Chartered Accountants, Pune	September 24, 2012	-

### Capitalisation of reserves or profits during the last five years

Save and except as below, our Company has not capitalised its reserves in the last five years prior to the date of the Red Herring Prospectus:

Pursuant to the Extra-ordinary General Meeting held on March 23, 2009, 80,000 fully paid-up Equity Shares of ₹ 10 each were allotted as bonus shares to the existing equity shareholders as on March 23, 2009, in the ratio of 4 (four) Equity Share for every 1 (one) Equity Shares held by them, by utilising ₹ 800,000 out of the reserves & surplus (securities premium account) of our Company.

### Revaluation of assets during the last five years

Our Company has not revalued its assets in the last five years prior to the date of the Red Herring Prospectus.



## SECTION VII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the Listing Agreement to be entered with the NSE, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities on the SME Platform of NSE issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

#### Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies act and of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 255 of this Red Herring Prospectus.

#### Mode of payment of dividend

Our Company shall pay dividend to its shareholders as per the provisions of the Companies Act, the Articles of Association and the Listing Agreements.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. At any given point of time, subject to applicable law, there shall be only one denomination of Equity Shares.

#### Compliance with Regulations issued by SEBI

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

#### Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company 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 any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right of free transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act the terms of the listing agreements executed with the Stock Exchange, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation /



splitting, please refer to the chapter titled *“Main provision of the Articles of Association of our Company”* beginning on page 255 of the Red Herring Prospectus.

### **Market Lot, Trading Lot and Minimum Application Value**

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors. The trading of Equity Shares will happen with the minimum contract size of 1,000 Equity Shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large. The trading lot is 1,000 Equity Shares. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of 1,000 Equity Share, subject to a minimum allotment of 1,000 Equity Shares. For details of allocation and allotment, please refer to the chapter titled *“Issue Procedure”* beginning on page 212 of the Red Herring Prospectus.

### **Joint Holders**

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

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

### **Nomination Facility to the Investor**

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar to the Issue.

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:

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

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

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

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If our Company does not receive the subscription of 100% of the Issue through this Red Herring Prospectus including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

### Migration to Main Board

Our company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- c) If the Paid up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- d) If the Paid up Capital of our company is more than 10 crores and upto ₹ 25 crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this issue are proposed to be listed on the SME Platform of NSE ("SME Exchange"), wherein the BRLM shall ensure compulsory Market Making through registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Red Herring Prospectus. For further details of the Market Making arrangement see chapter titled "General Information" on page 38 of this Red Herring Prospectus.

### Arrangement for disposal of odd lot

The trading of the equity shares will happen in the minimum contract size of 1,000 Equity Shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

### Bid/Issue Period

Bidders may submit their Bids only in the Bid/Issue Period.

### Bid/Issue Programme

<b>BID OPENS ON</b>	March 25, 2013
<b>BID CLOSES ON</b>	March 28, 2013

**Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI**

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

#### **Restriction on transfer of Equity Shares**

Except for lock-in as detailed in "*Capital Structure*" beginning on page 48 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer the chapter titled "*Main Provisions of the Articles of Association*" beginning on page 255 of the Red Herring Prospectus.

#### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid Opening Date but before the Board meeting for 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, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to the National Stock Exchange of India Limited and the BRLM through the Registrar to the Issue shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines, our Company shall be required to file a fresh Red Herring Prospectus.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

**Issue of Equity Shares in dematerialised form in the Issue**

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

## ISSUE STRUCTURE

Public Issue of [●] Equity Shares of ₹ 10 each for cash at a price of [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ [●] the “Issue”) by our Company of which [●] Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker to the Issue (“Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of ₹ 10 each is hereinafter referred to as the “Net Issue”. The Issue and The Net Issue will constitute [●] and [●], respectively of the post Issue paid up equity share capital of our Company.

The Issue will constitute [●] of the total post issue paid-up equity capital of our Company. The Issue is being made through the Book Building Process:

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
Number of Equity Shares*	Not more than [●] Equity Shares or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares shall be available for allocation or Net Issue less allocation to Qualified Institutional Bidders and Retail Individual Bidders	Not less than [●] Equity Shares shall be available for allocation or Net Issue less allocation to Qualified Institutional Bidders and Non-Institutional Bidders	[●] Equity Shares
Percentage of the Issue Size available for allocation	Not more than 50% of the Net Issue shall be allocated to QIBs.  However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 35% of the Net Issue shall be available for allocation or Net Issue less allocation to QIBs and Retail Individual Bidders	Not less than 15% of the Net Issue shall be available for allocation or Net Issue less allocation to QIBs and Non-Institutional Bidders	[●]% of the Issue
Basis of Allocation, if respective category is oversubscribed	Proportionate, subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each, as follows:  [●] Equity Shares, constituting [●] of the QIB portion, shall be available	Proportionate	Proportionate	Firm Allotment

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
	for allocation on a proportionate basis to Mutual Funds;  [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above			
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares.	[●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the QIBs	Not exceeding the size of the Issue	Such number of Equity Shares so as to ensure that the Bid Amount does not exceed ₹ 200000	[●] Equity Shares
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot***	1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter.	1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter.	1,000 Equity Shares.	1,000 Equity Shares
Allotment Lot	1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter.	1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter.	1,000 Equity Shares and in multiples of 1,000 Equity Shares thereafter	1,000 Equity Shares
Trading Lot	1,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations, 2009.	1,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations, 2009.	1,000 Equity Shares, however the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations, 2009.	1,000 Equity Shares
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act.	Resident Indian individuals, Eligible NRIs, HUF (applying through the	Resident Indian individuals, Eligible NRIs, HUF (applying through the	Market maker

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
	<p>scheduled commercial banks, mutual funds, sub-accounts of foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of ₹ 2500 lacs and pension funds with minimum corpus of ₹ 2500 lacs in accordance with applicable law, National Investment Fund set up by Government of India, insurance funds set up and managed by the army, navy and air force of the Union of India and insurance funds set up and</p>	<p>Karta), companies, corporate bodies, scientific institutions, societies trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals.</p>	<p>Karta), applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value.</p>	



Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Market Maker Reservation Portion
	managed by the Department of Posts, India, Nominated Investor(s) and Market Maker (s).			
Terms of Payment	Full Bid Amount On Bidding through the ASBA Process	Full Bid Amount on bidding through the ASBA Process	Full Bid Amount on bidding	Full Bid Amount on bidding

\* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spill over inter-se from any other categories, at the sole discretion of our Company, the BRLM and the Designated Stock Exchange and subject to applicable provisions of SEBI ICDR Regulations.

\*\* In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.

\*\*\* SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardised the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (in ₹)	Lot Size (No of shares)
Upto 14	10,000
more than 14 upto 18	8,000
more than 18 upto 25	6,000
more than 25 upto 35	4,000
more than 35 upto 50	3,000
more than 50 upto 70	2,000
more than 70 upto 90	1,600
more than 90 upto 120	1,200
more than 120 upto 150	1,000
more than 150 upto 180	800
more than 180 upto 250	600
more than 250 upto 350	400
more than 350 upto 500	300
more than 500 upto 600	240
more than 600 upto 750	200
More than 750 upto 1000	160
above 1000	100

In accordance to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with BRLM, our Company and NSE shall ensure to finalise the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 then the Lot size shall be 4000 shares.

The lot size shall not be reduced by NSE to below the initial lot size if the trading price is below the IPO issue price.

NSE can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible the stock exchange shall ensure that odd lots are not created.

Further, NSE shall ensure that the lot size shall be the same for a securities traded across the Stock Exchanges.

In case of oversubscription, if the option to retain ten per cent of the net issue to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer/Stock Exchange/ BRLM that the post issue paid up capital of the issuer does not go beyond ₹ 25 crore.

### **Withdrawal of the Issue**

In accordance to SEBI ICDR Regulations, Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time after the Bid Opening Date but before the Board meeting for 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, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to the National Stock Exchange of India Limited and the BRLM through the Registrar to the Issue shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines, our Company shall be required to file a fresh Red Herring Prospectus.

In terms of the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion shall neither withdraw nor lower the size of their bids at any stage.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus. In the event of withdrawal of the Issue any time after the Bid/Issue Opening Date, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, *i.e.* from the date of withdrawal, then our Company, on and from such expiry of 8 days, be liable to repay the money, with such interest as prescribed under Section 73 of the Companies Act

### **Letters of Allotment, refund orders or instructions to SCSBs**

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 Working Days from the Bid Closing Date to all successful Allottees.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bid Closing Date through speed post or registered post.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid Cum Application Form for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days from the Bid Closing Date.

### **Interest in case of delay in dispatch of refund orders or instructions to SCSBs**

In accordance with the Companies Act, the requirements of the NSE and SEBI ICDR Regulations, our Company undertakes that:

Allotment shall be made only in dematerialised form within 12 Working Days from the Bid Closing Date;

Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid Closing Date;

Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 12 Working Days from the Bid Closing Date.

It shall pay interest at 15% p.a. if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid Closing Date.

If such money is not repaid within 8 days from the date our Company becoming liable to repay, our Company and every Director of our Company who is an officer in default shall be jointly and severally liable to repay the money with interest as prescribed under sub-section (2) and (2A) of Section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Refund Banker(s) 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.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

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

<b>BID OPENING DATE</b>	March 25, 2013
<b>BID CLOSING DATE</b>	March 28, 2013

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Issue Period at the Bidding Centres / Broker Centres mentioned on the Bid cum Application Form or, in case of Bids submitted by the ASBA Bidders, the Designated Branches and the Syndicate ASBA Bidding Locations except that:

in case of Bids by QIBs under the QIB Portion, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date;

in case of Bids by Non-Institutional Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

in case of Bids by Retail Individual Bidders, the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended up to such time as deemed fit by the NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per the Bid file received from the NSE 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 or the member of the Syndicate for rectified data.

**QIBs may note that only upward revision is permitted with respect to the quantity and/or price of the Equity Shares, in any option, for which a Bid has been submitted.**

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the NSE, by issuing a press release and also by indicating the change on the websites of the BRLM and the terminals of the other members of the Syndicate.

Indicative dates of Bid closing, finalisation of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares:

Activity	Indicative dates
Bid Closing Date	March 28, 2013
Finalisation of Basis of Allotment	[•]
Credit of Equity Shares	[•]
Initiation of refunds	[•]
Commencement of trading of Equity Shares	[•]

## ISSUE PROCEDURE

*This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. The SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 ("Circular") has made applications by QIBs and Non-Institutional Bidders compulsorily through the ASBA process. Retail Individual Bidders can also participate in the Issue through the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are 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. ASBA Bidders may also apply electronically through the internet banking facility wherever provided for by the SCSB. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate.*

*Please note that all Bidders are required to make the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the application.*

*Further, please note that pursuant to the SEBI Circular no. CIR/CFD/14/2012 dated October 04, 2012, submission of Bid cum Application Forms can now be made through the nationwide broker network of the Stock Exchanges. Please note that such modifications have come into effect from January 01, 2013 and all Bidders are advised to read this section carefully before participating in the Issue.*

*Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.*

*Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.*

### Book Building Procedure

This Issue is being made in compliance with the provisions of Chapter XB of the SEBI ICDR Regulations and through the Book Building Process.

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for atleast 25% of the post-Issue capital of our Company. The Issue is being made through the Book Building Process wherein [●] Equity Shares shall be reserved for Market Maker.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis. Out of the QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. 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 QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, not less than 15% of the Net Issue would be available for allocation to Non-Institutional Bidders on a proportionate basis and 35% of the Net Issue available for allocation to Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where **Allotment to each**

**Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis.** Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

All Bidders applying through cheques or demand drafts are required to submit their Bids through the Syndicate or the Broker Centres.

All QIBs and Non Institutional Bidders compulsorily have to apply in this Issue through the ASBA process. Retail Individual Bidders have the option of applying in this Issue through the ASBA process. ASBA Bidders are required to submit their Bids to the SCSBs, the Syndicate (at Syndicate ASBA Bidding Locations) or to the Broker Centres.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID Numbers and the beneficiary account number, shall be treated as incomplete and rejected. Bid cum Application Forms which do not have the details of the Bidders' PAN, (other than Bids made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **Bid cum Application Form**

Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated September 27, 2011, Bid cum Application Forms have been standardised and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.

Pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 04, 2012, Bid cum Application Form shall be available for download from the website of NSE and their broker terminals which also include pre-filled information relating to the Price Band.

Retail Individual Bidders may Bid through the ASBA process at their discretion. However, QIBs and Non-Institutional Bidders must compulsorily use the ASBA process to participate in the Issue.

#### *Retail Individual Bidders through the non-ASBA process*

In the event of Bidding through the non-ASBA process, the Retail Individual Bidders shall only use a Bid cum Application Form bearing the stamp of a member of the Syndicate. Copies of the Bid cum Application Form will be available with the members of the Syndicate and at our Registered or can be downloaded from the website of the Stock Exchange.

Retail Individual Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Retail Bidder and countersigned by the relevant member of the Syndicate.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate or the Broker Centre, Retail Individual Bidders are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Retail Individual Bidder. Upon



determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

*Retail Individual Bidders, QIBs and Non-Institutional Bidders Bidding through the ASBA process*

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the Broker Centres or to the SCSB with whom the ASBA Account is maintained or in physical form to the members of Syndicate at the Syndicate ASBA Bidding Locations or to the Broker Centres. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations and at our Registered Office. The Bid cum Application Forms will also be available for download on the website of the Stock Exchange at least one day prior to the Issue Opening Date. In the event the Bid cum Application Form downloaded from the website of the Stock Exchange is submitted with a member of Syndicate or a Broker Centre, the relevant member of the Syndicate or the Broker Centre should stamp it before uploading the details of the Bid cum Application Form on to the electronic Bidding system of the Stock Exchange. Bid cum Application Forms (except Bids submitted through electronic mode) shall be serially numbered.

In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the SCSB and/or Designated Branch and/or the member of the Syndicate, as the case may be, at the relevant Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Locations, respectively. In case of ASBA Bidder submitting the physical Bid cum Application Form to the Broker Centre, the relevant Broker Centre shall stamp and forward a schedule along with the Bid cum Application Form to the relevant branch of the SCSB where the ASBA account is maintained for blocking of funds. The Bid cum Application Form shall be serially numbered, and the date and time shall be stamped at the Bidding Centre.

**ASBA Bidders Bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid cum Application Forms submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>).**

In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSB or the Broker Centre, or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid cum Application Form to the SCSB or to the member of the Syndicate at the Syndicate ASBA Bidding Locations or to the Broker Centre, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.



To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart.

Category of bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	Bid cum Application Form.	<p>In case of an ASBA Bidder:</p> <ol style="list-style-type: none"> <li>If using physical Bid cum Application Form: <ol style="list-style-type: none"> <li>to the members of the Syndicate only at Syndicate ASBA Bidding Locations; <b>or</b></li> <li>to the Designated Branches of the SCSBs where the SCSB account is maintained; <b>or</b></li> <li>to the Broker Centre; <b>or</b></li> </ol> </li> <li>If using electronic Bid cum Application Form: <ol style="list-style-type: none"> <li>to the Broker Centre; <b>or</b></li> <li>to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; <b>or</b></li> </ol> </li> </ol> <p>In case of non-ASBA Bidder:</p> <ol style="list-style-type: none"> <li>if using physical Bid cum Application Form: <ol style="list-style-type: none"> <li>to the Broker Centre as stated in the Bid cum Application Form; <b>or</b></li> <li>to the members of the Syndicate at the Bidding Centres as stated in the Bid cum Application Form.</li> </ol> </li> <li>if using electronic Bid cum application Form, electronically through internet banking facility.</li> </ol>
Non-Institutional Bidders and QIBs	ASBA ( <i>Kindly note that ASBA is mandatory and no other mode of Bidding is permitted</i> )	Bid cum Application Form.	<ol style="list-style-type: none"> <li>If using physical Bid cum Application Form: <ol style="list-style-type: none"> <li>to the members of the Syndicate only at Syndicate ASBA Bidding Locations; <b>or</b></li> <li>to the Designated Branches of the SCSBs where the SCSB account is maintained; <b>or</b></li> </ol> </li> <li>If using electronic Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.</li> </ol>

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	[●]

Category	Colour of Bid cum Application Form
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[•]

### Who can Bid?

1. Indian nationals resident in India, who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three). Based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);
2. 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 the Karta XYZ", where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies, limited liability partnerships and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law; NRIs other than Eligible NRIs are not permitted to participate in this Issue
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI regulations, as applicable);
7. Multilateral and bilateral development financial institution;
8. Venture capital funds registered with SEBI;
9. Foreign venture capital investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
10. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
11. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
12. Eligible QFIs;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority;
15. Provident funds with a minimum corpus of ₹ 2500 lacs and who are authorised under their constitution to hold and invest in equity shares;
16. Pension funds with a minimum corpus of ₹ 2500 lacs and who are authorised under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their respective constitutions to hold and invest in equity shares;
19. Scientific and/or industrial research organisations authorised under their constitution to invest in equity shares;
20. Insurance funds set up and managed by army, navy or air force of the Union of India
21. Limited liability partnerships;
22. Insurance funds set up and managed by the Department of Posts, India; and
23. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue.
24. Nominated Investor and Market Makers
25. Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **Participation by associates and affiliates of BRLM and Syndicate Member**

The BRLM and the Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting or market making obligations. Associates and affiliates of the BRLM and the Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion as may be applicable to such Bidder, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients. All categories of investors, including associates or affiliates of BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Bids by Mutual Funds**

*As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:*

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] 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 QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged 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 thereof.

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.

**No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in this Issue.**

#### **Bids by Eligible NRIs**

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts maintained with

authorised dealers registered with the RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be.

Eligible NRIs Bidding on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as NRO accounts. Eligible NRIs Bidding on a non-repatriation basis are advised to use the Bid cum Application Form meant for Resident ([●] in colour). Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non-Institutional Portion are required to utilise the ASBA facility to submit their Bids.

### **Bids by FIIs**

*As per the current regulations, the following restrictions are applicable for investments by FIIs:*

The Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of a FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or foreign individual.

A sub-account of a FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI Regulations, for this Issue.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on the recognised 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 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 offshore derivative instrument is made by or on behalf of it 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 that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in our Company or the BRLM.

### **Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* 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 should not exceed 25% of its corpus. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

With respect to Bids by VCF and FVCI, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form, as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

Refunds, dividends and other distributions, if any, will be payable in Indian rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD 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.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("**LLP Act**") a certified copy of certificate of registration issued under the LLP Act must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

### **Bids by QFIs**

In terms of circulars dated January 13, 2012, SEBI and RBI have permitted investment by QFIs in Indian equity issues, including in rights issues. A QFI can invest in the Issue through its depository participant with whom it has opened a demat account. No single QFI can hold more than five per cent of paid up equity capital of the company at any point of time. Further, aggregate shareholding of all QFIs shall not exceed ten per cent of the paid up equity capital of our Company at any point of time.

Applications will not be accepted from QFIs in restricted jurisdictions.

QFI applicants which are QIBs or whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the "**IRDA Investment Regulations**"), are broadly set forth below:

1. **Equity Shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;**
2. **The entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans ("**ULIPs**") ; and**
3. **The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).**

In addition, the IRDA, by circular bearing number IRDA/INV/CIR/027/2008-09 dated December 26, 2008 partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five



preceding years. This limit of 20% would be combined for debt and equity taken together, without sub-ceilings. Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Provident funds/pension funds can participate in the Issue only through the ASBA process.

### **Bids by Banking Companies**

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in the Equity Shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2011). Banking companies can participate in the Issue only through the ASBA process.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with 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 SEBI registration certificate (as applicable) and/or by - laws must be lodged with the Bid cum Application Form. With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to 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:**

(i) With respect to Bids by VCFs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form, as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

(ii) 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 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 reasons thereof.

(iii) With respect to Bids made by provident funds with 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. Failing this, our Company reserves the right to accept or reject such Bid, in whole or in part, in either case without assigning any reasons thereof.

## Maximum and Minimum Bid Size

### For Retail Individual Bidders:

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount shall not be less than ₹ 1,00,000 and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by them does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. Where the Bid Amount is over ₹ 200,000 due to a revision in the Bid or a revision in the Price Band or upon exercise of the option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders indicating their agreement to Bid and to acquire the Equity Shares at the Issue Price as determined at the end of the Book Building Process. The Retail Individual Bidders may either withdraw or revise their bids until the finalisation of allotment.

**For Non-Institutional Bidders and QIBs Bidders:** The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders shall neither withdraw nor lower the size of their bids at any stage and QIB Bidders, Non-Institutional Bidders are required to pay, mandatorily through the ASBA process, the entire Bid Amount upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 to be considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or a revision in the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at Cut-off Price. **Please note that QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process.**

### Information for Bidders

1. Our Company and the BRLM shall publish the Bid/Issue Opening Date and the Bid/Issue Closing Date in two national daily newspapers (one each in English and Hindi) and in one regional daily newspaper in Marathi with wide circulation, where the Registered Office of our Company is situated. This advertisement shall be in the prescribed format.
2. The face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. The pre-filled Bid cum Application Forms will also be available for download on the website of the Stock Exchange where the securities are proposed to be listed.
3. Our Company shall file the Red Herring Prospectus with the ROC at least three working days prior to the Bid/Issue Opening Date.
4. The Syndicate and the SCSBs, as applicable, shall circulate copies of the Bid cum Application Form to potential investors and at the request of potential investors, copies of the Red Herring Prospectus. The SCSBs shall ensure that the abridged prospectus is made available on their websites.
5. Any Bidder (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and / or the Bid cum Application Form can obtain the same from our Registered Office or from the members of the Syndicate or the SCSBs or can download the same from the website of the Stock Exchange.



6. Eligible Bidders who are interested in subscribing the Equity Shares should approach the members of the Syndicate or the SCSBs (as applicable) to register their Bid. Bidders can also approach the Designated Branch of the SCSBs to register their Bids under the ASBA process.
7. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the BRLM or Syndicate Member otherwise they are liable to be rejected. ASBA Bidders may submit the Bid cum Application Form to the Designated Branches of SCSBs directly or through a member of the Syndicate at Syndicate ASBA Bidding Locations or at the Broker Centres.
8. Please ensure that in the event the Bid cum Application form is submitted at the terminals of the Syndicate Members and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the Bidding Centres referred to in the Circular.
9. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.
10. For ASBA Bidders, copies of the Bid Cum Application Form will be available for all categories of Bidders, with the Designated Branches, members of the Syndicate (in the Syndicate ASBA Bidding Locations) and at our Registered. Electronic Bid Cum Application Form will be available on the websites of the SCSBs and that of the Stock Exchange and with the broker terminals, at least one Working Day prior to the Bid/Issue Opening Date. Copies of the Bid Cum Application Form will be available for the Retail Bidders with the members of the Syndicate and at our Registered.

**Bidders are advised not to submit the Bid cum Application Form directly to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.**

#### **Additional information specific to ASBA Bidders**

1. Bid Cum Application Form in physical form will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations and at our Registered. Electronic Bid Cum Application Form will be available on the websites of the SCSBs and on the website of the Stock Exchange at least one Working Day prior to the Bid/ Issue Opening Date. Further, the SCSBs will ensure that a soft copy of the abridged Prospectus is made available on their websites. The BRLM shall ensure that adequate arrangements are made to circulate copies of the abridged Prospectus and Bid Cum Application Form to the SCSBs and the Syndicate at the Syndicate ASBA Bidding Locations.
2. The ASBA Bids should be submitted in the physical mode to the Syndicate on the prescribed Bid Cum Application Form at the Syndicate ASBA Bidding Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained or to the Broker Centre. **Bid cum Application Form in electronic mode can be submitted to the SCSBs with whom the ASBA Account is maintained or to the Broker Centre but not to the members of Syndicate.** SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account.

ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid Cum Application Form is submitted to a member of the Syndicate at the Syndicate ASBA Bidding Locations and that the SCSB where the ASBA Account is maintained as specified in the Bid Cum Application Form, has named at-least one branch in the relevant Syndicate ASBA Bidding Locations for the members of the Syndicate to deposit Bid Cum Application Form, as displayed on the website of SEBI ( <http://www.sebi.gov.in/pmd/scsb-asba.html> ). ASBA Bidders Bidding directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a

Designated Branch where the ASBA Account is maintained (<http://www.sebi.gov.in/pmd/scsb.pdf>).

3. For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the members of the Syndicate shall upload the ASBA Bid on to the electronic Bidding system of the Stock Exchange and deposit the Bid Cum Application Form with the relevant branch of the SCSB at the relevant Syndicate ASBA Bidding Locations authorised to accept such Bid Cum Application Form from the members of the Syndicate (as displayed on the website of SEBI (<http://www.sebi.gov.in/pmd/scsb-asba.html>)). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid Cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid Cum Application Form, before entering the ASBA Bid into the electronic Bidding system.

**ASBA Bidders should ensure that they have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the members of the Syndicate at the Syndicate ASBA Bidding Locations or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Bid Amount at the time of blocking the ASBA Account is liable to be rejected.**

4. For ASBA Bids submitted to the Broker Centres, the Broker Centre shall stamp and forward a schedule along with the Bid cum Application Form to the relevant branch of the SCSB where the ASBA account is maintained for blocking of funds. The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid Cum Application Form.
5. The members of the Syndicate at the Syndicate ASBA Bidding Locations and the SCSBs shall accept ASBA Bids only during the Bid/Issue Period and only from the ASBA Bidders. The SCSB shall not accept any Bid Cum Application Form after the closing time of acceptance of Bids on the Bid/ Issue Closing Date.
6. The Broker Centres shall accept ASBA Bids only during the Bid/Issue Period and shall not accept any Bid Cum Application Form after the closing time of acceptance of Bids on the Bid/ Issue Closing Date.
7. The Bid Cum Application Form shall bear the stamp of the SCSBs and/or the Broker Centre and/or the Designated Branch, member of the Syndicate at the Syndicate ASBA Bidding Locations (as displayed on the website of SEBI (<http://www.sebi.gov.in/pmd/scsb-asba.html>)), if not, the same shall be rejected.
8. SCSBs applying on own account using ASBA facility must have a separate bank account in their name with any other SCSB which is solely for the purposes of making such ASBA application and having clear demarcated funds blocked for the same. SCSBs applying using an ASBA account held with themselves are liable to be rejected.

**Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid Cum Application Form, as the case may be and entered into the electronic Bidding system of the Stock Exchange by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the Bid Cum Application Form is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.**

For Bid Cum Application Form, the basis of allotment will be based on the Registrar to the Issue's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid details and the Depository database. In case of any discrepancy between the electronic Bid data and the Depository records, our Company in consultation with the

Designated Stock Exchange, the BRLM and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Bid as rejected.

For ASBA Bids submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs, and match the same with the Depository database for correctness of DP ID, BAN and PAN. In cases where any DP ID, BAN and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the Depository database, our Company in consultation with the Designated Stock Exchange, the BRLM, the Registrar to the Issue, reserves the right to proceed as per the depository records on such ASBA Bids or treat such ASBA Bids as rejected. The Registrar to the Issue will reject multiple ASBA Bids based on common PAN as available on the records of the Depositories.

For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the basis of allotment will be based on the Registrar to the Issue's validation of the electronic Bid details with the depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, our Company in consultation with the Designated Stock Exchange, the BRLM and the Registrar to the Issue, reserves the right to proceed as per the depository records or treat such Bid as rejected.

Based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

### **Method and Process of Bidding**

1. The face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. The pre-filled Bid cum Application Forms will also be available for download on the website of the Stock Exchange where the securities are proposed to be listed. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII PART B of the SEBI ICDR Regulations. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
2. The Bid/Issue Period shall be a minimum of three Working Days and not exceeding ten Working Days (including the days for which the Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and Bid/Issue Period will be published in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper with wide circulation where our Company's registered office is situated and the Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi daily newspaper with wide circulation where our Company's registered office is situated, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
3. Each Bid cum Application Form will give the Bidder the choice to bid for upto three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) 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.

4. The Bidder cannot Bid on another Bid cum Application Form after his or her Bid on one Bid cum Application Form have been submitted to any Broker Centres, member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Broker Centre, member of the Syndicate or SCSBs will be treated as multiple Bids 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 allocation or 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 titled "Build-up of the Book and Revision of Bids".
5. The members of the Syndicate/SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive upto three TRSs for each Bid cum Application Form.
6. During the Bid/Issue Period, Bidders may approach any member of the Syndicate to submit their Bid. The member of the Syndicate shall accept Bids from all the Bidders and shall have the right to vet the Bids in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Broker Centres or the members of Syndicate at Syndicate ASBA Bidding Locations or the Designated Branches of the SCSBs to register their Bids.
7. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled 'Payment Instructions' under the chapter titled "Issue Procedure" beginning on page 212 of the Red Herring Prospectus.
8. 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.
9. 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.
10. 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.
11. The Bid Amount shall remain blocked in the ASBA Account until approval 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/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Please note that QIBs and Non-Institutional Bidders shall mandatorily submit their Bids through the ASBA process.

**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 Revision of Bids**

The Bidders can Bid at any price within the Price Band, in multiples of ₹ 1 (One). The face value of each Equity Share is ₹ 10. The Floor Price of Equity Shares is ₹ 130 per Equity Share and the Cap Price is ₹ 135. The pre-filled Bid cum Application Forms will also be available for download on the website of the Stock Exchange where the securities are proposed to be listed.

1. In accordance with SEBI ICDR Regulations, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided 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.
2. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
3. Bidders can bid at any price within the Price Band. Bidders have to Bid for the desired number of Equity Shares at a specific price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall acquire the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Refund Account(s). In case of ASBA Bidder bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block amount based on the Cap Price.
5. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate or the Broker Centres or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non Institutional Bidders 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.
6. Under the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders shall neither withdraw nor lower the size of their bids at any stage.
7. In case of a downward revision in the Price Band, 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(s) or unblocked by the SCSBs, as applicable.
8. Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is greater than ₹ 1,00,000.

**IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS, EQUITY SHARES WILL BE ISSUED, TRANSFERRED AND ALLOTMENT SHALL BE MADE ONLY IN THE DEMATERIALISED FORM TO THE ALLOTTEES. ALLOTTEES WILL HAVE THE OPTION TO RE-MATERIALISE THE EQUITY SHARES, IF THEY SO DESIRE, AS PER THE PROVISIONS OF THE COMPANIES ACT AND THE DEPOSITORIES ACT IT IS MANDATORY FOR ALL THE**



**BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED 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.**

The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the Stock Exchange. 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.

#### **Escrow Mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism and payment instructions, please refer to the paragraph titled 'Payment Instructions' under the chapter titled "*Issue Procedure*" beginning on page 212 of the Red Herring Prospectus.

#### **Electronic Registration of Bids**

- a. The members of the Syndicate and the SCSBs will register the Bids using the online facilities of the Stock Exchange. There will be at least one online connectivity to each city where a stock exchange is located in India and where the Bids are being accepted. The BRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the members of the Syndicate and the SCSBs, (ii) the Bids uploaded by the members of the Syndicate and the SCSBs, (iii) the Bids accepted but not uploaded by the members of the Syndicate and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the respective member of the Syndicate and / or the SCSBs shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
- b. The Stock Exchange will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate, their authorised agents and the SCSBs during the Bid/Issue Period. The Syndicate Member and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs 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. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).
- c. The aggregate demand and price for Bids registered on the electronic facilities of NSE will be downloaded on a regular basis, consolidated and displayed online at all Bidding Centres. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres and the website of the Stock Exchange during the Bid/Issue Period along with category wise details.
- d. Neither the BRLM nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted

by a Syndicate Members or the SCSBs, (ii) the Bids uploaded by Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by Syndicate Members or the SCSBs

- e. At the time of registering each Bid, the member of the Syndicate shall enter the following details of the Bidder in the online system:

1. Name of the Bidder(s): Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the 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;
2. Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund, etc.;
3. Numbers of Equity Shares Bid for;
4. Bid Amount;
5. Price option;
6. Cheque Amount;
7. Cheque Number;
8. Bid cum Application Form number;
9. Depository Participant Identification Number and Client Identification Number of the Demat Account of the Bidder; and
10. PAN, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the electronic bidding system:

1. Name of the Bidder(s).
2. Bid cum Application Form Number.
3. PAN (of First Bidder if more than one Bidder)
4. Investor Category and Sub-Category:
5. DP ID
6. Client ID
7. Number of Equity Shares Bid for
8. Price Option and Bid Amount
9. Bank Account Number

With respect to ASBA Bids submitted to the members of Syndicate at the Syndicate ASBA Bidding Locations, at the time of registering each Bid, the members of Syndicate shall enter the following details on the online system:

1. Bid cum Application Form number
2. PAN (of the First Bidder, in case of more than one Bidder)
3. Investor Category and sub-category
4. DP ID
5. Client ID
6. Number of Equity Shares Bid for
7. Price per Equity Share (price option) and Bid Amount
8. Bank code for the SCSB where the ASBA Account is maintained
9. Location of Syndicate ASBA Bidding Location

Retail	Non-institutional	QIBs
(No sub category)	-Individual - Corporate - Other	- Mutual Funds - Financial Institutions - Insurance companies - Foreign Institutional Investors other than



		corporate and individual - Sub- accounts
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- f. 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 request and obtain the TRS from the member of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the BRLM or the Syndicate Member or by our Company.
- g. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- h. In case of QIB Bidders, bidding in the QIB Portion, the BRLM or Syndicate Members can reject the Bids at the time of accepting the Bid provided that the reason for such rejection is provided in writing. Bids under the Non-Institutional Portion and Bids under the Retail Individual Portion would not be rejected except on the technical grounds listed in the Prospectus. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSB shall have no right to reject Bids except on technical grounds.
- i. It is to be distinctly understood that the permission given by the Stock Exchange to use their network and software of the online public offering 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 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, our Promoters, our 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 the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- j. Only Bids that are uploaded on the online public offering system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate will be given upto one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation and Allotment of Equity Shares. In case of discrepancy of data between NSE and the members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar to the Issue, shall be final and binding on all concerned.

#### Build-up of the Book and Revision of Bids

- a. The Bidding process shall be only through an electronically linked transparent Bidding facility provided by the Stock Exchange. Bids registered by various Bidders through the members of the Syndicate and SCSBs shall be electronically transmitted to the NSE mainframe on a regular basis.
- b. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of each day of the Bid/Issue Period. It will also be available on the website of the NSE at [www.nseindia.com](http://www.nseindia.com).
- c. 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. **However QIB Bidders or Non-Institutional Bidders shall neither withdraw nor lower the size of their bids at any stage. However, Retail Individual Bidders may either withdraw or revise their bids until finalisation of allotment.**

- d. **Revisions can be made in both, the desired number of Equity Shares and the Bid Amount, by using the Revision Form except that a downward revision by QIB Bidders and Non-Institutional Bidders cannot be made** 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 members of the Syndicate and the Designated Branches of the SCSBs.
- e. **The Bidder can make this revision any number of times during the Bid/Issue Period except that a downward revision by QIB Bidders and Non-Institutional Bidders cannot be made.** However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate or the SCSB through whom the Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- f. In case of a downward revision in the Price Band, Retail Individual Bidders who have Bid at the Cutoff Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account. In case the Bid Amount falls below ₹. 1,00,000 than the Bid shall be liable to be rejected.
- g. Our Company in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value shall be not less than ₹. 1,00,000.
- h. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- i. 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.
- j. 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. 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 members of the Syndicate shall collect the payment in the form of cheque or demand draft, as applicable, to be paid on account of upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate 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 to the Issue will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

- k. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the member of the Syndicate or SCSBs, as applicable. **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.**
- l. The Syndicate Members may modify selected fields (viz. DP ID and Client ID) in the Bid details already uploaded upto one day post the Bid/Issue Closing Period.

### Price Discovery and Allocation

After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with our Company. Our Company, in consultation with BRLM, shall finalise the Issue Price, the number of Equity Shares to be allotted and the allocation to successful Bidders.

- a. The Issue is being made through the Book Building Process wherein [●] Equity Shares shall be reserved for Market Maker. Not more than 50% of the Net Issue would be available for allocation on a proportionate basis to QIBs after consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- b. Not less than 15% of the Net Issue, would be available for allocation on a proportionate basis to Non-Institutional Bidders and 35% of the Net Issue, available for allocation to Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis, respectively, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- c. Under-subscription, if any, in any category would be allowed to be met with spill over from any of the other categories or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Our Company will comply with the SEBI ICDR Regulations for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue. 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 allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has not been met, under-subscription, if any, 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.
- d. Allocation to Eligible NRIs or FIIs or Foreign Venture Capital Investor registered with SEBI, multilateral and bilateral development financial institutions applying on repatriation basis will be subject to applicable laws, rules, regulations, guidelines and approvals.
- e. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Closing Date but before Allotment and the reasons thereof shall be given as a public notice within two days of the cancellation of the Bid/Issue Closing Date. The public notice will be issued in the same newspapers where the statutory pre-Issue advertisements had appeared. Further the Stock Exchange will also be informed promptly.
- f. In terms of the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion shall neither withdraw nor lower the size of their bids at any stage.
- g. The Basis of Allotment details shall be put up on the website of the Registrar to the Issue.

### Signing of Underwriting Agreement and RoC Filing

- a. Our Company, the BRLM and the Syndicate Members have entered into an Underwriting Agreement on [●].

- b. After signing the Underwriting Agreement, our Company and the BRLM will update and file the updated Red Herring Prospectus with RoC, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects

### **Filing with the ROC**

We shall file a copy of the Red Herring Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act. We shall file a copy of the Prospectus with the RoC in terms of Section 60 of the Companies Act.

### **Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company, after registering the Red Herring Prospectus with the RoC, published a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English national daily newspaper, one Hindi national daily newspaper and one Marathi daily newspaper with wide circulation where our Company's registered office is situated.

### **Advertisement regarding Issue Price and Prospectus**

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, with wide circulation where our Company's registered office is situated. 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 Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

### **Issuance of Confirmation of Allocation Note ("CAN")**

- a. Upon approval of Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the BRLM and Syndicate Members a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the Basis of Allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the Basis of Allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that (i) the Allotment of the Equity Shares and (ii) the instructions by our Company for the demat credit of the Equity Shares, to all Bidders in this Issue shall be done on the same date.
- b. The Registrar to the Issue will then dispatch the CAN to the Bidders who have been allocated Equity Shares in the Issue.
- c. The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.
- d. Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the 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 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**

1. Our Company will ensure that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within twelve Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure that the credit of Equity Shares to the successful Bidder's Depository Account is completed within two Working Days from the date of Allotment.
2. As per SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, in the manner stated in the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.**

### **General Instructions**

#### **Do's:**

1. Check if you are eligible to apply;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form;
4. Ensure that the details about PAN, Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the Bidding Centres only on forms bearing the stamp of the BRLM or Syndicate Member of the Broker Centre. With respect to ASBA Bidders ensure that your Bid is submitted (i) at a Designated Branch of the SCSB where the ASBA Bidders or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account; or (ii) to a member of the Syndicate at Syndicate ASBA Bidding Locations; or (iii) to a Broker Centre.
6. With respect to 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;
7. Ensure that you have requested for and receive a TRS for all your Bid options;
8. 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 or the Broker Centre;
9. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
10. Ensure that the full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs or through the Broker Centres;
11. Submit revised Bids to the same member of the Syndicate / SCSB or the Broker Centre through whom the original Bid was placed and obtain a revised TRS;
12. Ensure that the Bid is within the Price Band;



13. Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects.
14. Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted on behalf of joint Bidders, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.
15. In the event you are a QIB or a Non-Institutional Bidder, ensure that you have applied through the ASBA process.
16. Ensure that in the event a Bid cum Application form is submitted at the terminals of the Syndicate Members and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the Bidding Centres referred to in the Circular.
17. Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate or the Broker Centre, as the case may be;
18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act, 1961. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid price to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the member of the Syndicate or the SCSB or the Broker Centre, as applicable;
4. QIBs and the Non-Institutional Bidders should neither withdraw nor lower the size of their Bids at any stage.
5. Do not pay the Bid amount in cash, by money order or by postal order or by stock invest;
6. Do not provide your GIR number instead of your PAN number.
7. Do not submit the Bids without the full Bid Amount;
8. Do not send Bid cum Application Forms by post; instead submit the same to members of the Syndicate or the SCSBs of the Broker Centre, as applicable;
9. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
10. Do not Bid at Cut-off price (for QIBs and Non-Institutional Bidders, for Bid amount in excess of ₹ 2,00,000);
11. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
12. Do not Bid for a Bid Amount less than ₹ 1,00,000;
13. Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
14. Do not make payment through cheques/ demand drafts in the event you are a QIB or a Non-Institutional Shareholder.
15. Do not submit Bids on plain paper or incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended;
17. Do not submit the Bid cum Application Form if you are applying through the ASBA process with a Member of Syndicate at a location other than the Specified Cities; and
18. Do not submit ASBA Bids to a Member of Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Members of Syndicate to deposit Bid cum Application Forms (a list of such branches is available at <http://www.sebi.gov.in>).

## INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

### Do's:

1. Check if you are eligible to Bid under ASBA;
2. Ensure that you specify ASBA as the 'Mode of Application' and use the Bid cum Application Form bearing the stamp of the relevant SCSB or the members of the Syndicate (except in case of electronic Bid cum Application Forms );
3. Read all the instructions carefully and complete the Bid cum Application Form;
4. Ensure that your Bid cum Application Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, or the Registrar to the Issue or the Book Running Lead Manager;
5. In case of Bid cum Application Form submitted to a member of the Syndicate at the Syndicate ASBA Bidding Location, ensure that the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has named at-least one branch as displayed on the website of SEBI in the Syndicate ASBA Bidding Locations for the members of the Syndicate to deposit Bid cum Application Form;
6. Ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
7. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the Broker Centre of the respective Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Locations;
9. Ensure that you have correctly checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
10. Ensure that you receive an acknowledgement from the Broker Centre or the Designated Branch or from the members of the Syndicate at the Syndicate ASBA Bidding Locations, as the case maybe, for the submission of your Bid cum Application Form; and
11. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

### Don'ts:

1. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Broker Centre or a Designated Branch or to a members of the Syndicate at the Syndicate ASBA Bidding Locations;



2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;
3. Do not send your physical Bid cum Application Form by post. Instead submit the same to a Broker Centre or a Designated Branch or to a member of the Syndicate at the Syndicate ASBA Bidding Location;
4. Do not submit more than five Bid cum Application Form per ASBA Account;
5. Do not submit the Bid cum Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Bidding Locations; and
6. Do not submit ASBA Bids to a member of the Syndicate at the Syndicate ASBA Bidding Location unless the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has named at-least one branch, as displayed on the SEBI website (<http://www.sebi.gov.in/pmd/scsb-asba.html>) in the relevant Syndicate ASBA Bidding Locations for the members of the Syndicate to deposit Bid cum Application Form.
7. SCSBs applying on own account using ASBA facility must not apply using a bank account with themselves. SCSBs applying on own account using ASBA facility must have a separate bank account in their name with any other SCSB which is solely for the purposes of making such ASBA application and having clear demarcated funds blocked for the same.

### Instructions for completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the any of the member of the Syndicate or from our Registered Office. **Bid cum Application Forms can be obtained from the Designated Branches of the SCSBs. Bid cum Application Forms shall also be available at the website of the Stock Exchange at [www.nseindia.com](http://www.nseindia.com). Syndicate/ sub-syndicate members and the Broker Centre may also procure Bid cum Application Forms directly from the investors and submit it to the SCSBs and shall upload the Bid and other details of such Bid cum Application Forms in the bidding platform provided by the Stock Exchange and forward the same to the respective SCSBs. The SCSBs shall verify the signatures of such applicants block the requisite quantum of funds and forward these forms to the Registrar to the Issue.**

### Bids and Revisions of Bids

Bids and revisions 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 members of 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 Public Offering system by the members of the Syndicate and SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. Please ensure that the details are correct are legible.
- The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of ₹ 200,000.
- For Non-institutional and QIB Bidders, bidding under the QIB Portion, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds ₹ 200,000 would be considered under this category. 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 in 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:
  1. made only in the prescribed Bid cum Application Form or Revision Forms (if submitted in physical mode) or the electronic mode.
  2. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
  3. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the Bid cum Application Form.
- If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Bid cum Application Forms.

#### **Bidder's Depository Account and Bank Account Details**

Bidders should note that on the basis of the Permanent Account Number of the Sole/First Bidder, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including category, age, address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS/NECS, NEFT and RTGS) to the Bidders or unblocking the 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM 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.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED 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 CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purposes by the Registrar to the Issue. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid cum Application Form, Bidder would have deemed to authorise the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Such communication 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 (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/first Bidder, the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

**Bids by Non-Residents, NRIs, FIIs and Foreign Venture Capital Investors registered with SEBI on a repatriation basis.**

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of upto ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into 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.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

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.

**Payment Instructions**

**Escrow Mechanism for Bidders other than ASBA Bidders**

This section is applicable only for Retail Individual Bidders.

Our Company and the BRLM shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of their Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Bank(s) will act in terms of the Red Herring Prospectus and the Escrow Agreement entered into amongst our Company, the BRLM, Escrow Collection Bank(s) and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection

Bank(s) shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue account shall be transferred to the Refund Account. Payments of refunds 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 the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collection 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 receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. 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.

### **Payment into Escrow Account for Bidders other than ASBA Bidders:**

This section is applicable only for Retail Individual 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 Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

1. Retail Individual 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 members of the Syndicate or the Broker Centre, as applicable. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be liable to be rejected.
2. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - a. In case of Resident Retail Investors: **"Escrow Account – Opal Luxury Time Products Limited - Public Issue - R";**
  - b. In case of Non Resident Retail investors: **"Escrow Account – Opal Luxury Time Products Limited - Public Issue - NR";**
3. In case of bids by NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in the Non-Resident External (NRE) Accounts or the Foreign Currency Non-Resident Accounts (FCNR), maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) account of Non Resident 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 the NRE Account or the Foreign Currency Non- Resident Account.
4. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts,

maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance 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.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Non Resident Rupee Account 'SPNR' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Non Resident Rupee Account 'SPNR'.
6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Accounts.
7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.
8. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Banker to the Issue.
9. No later than ten working days from the Bid/Issue Closing Date, the Refund Bank shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation to the successful 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 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.
10. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
11. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.
12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form
13. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

#### **Payment by Stock invest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Payment by cash / money order**

Payment through cash/ money order shall not be accepted in this Issue.



## Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted to the Designated Branches of the SCSBs, either by the Broker Centre of the Syndicate or sub-syndicate members at Syndicate ASBA Bidding Locations or by the ASBA Bidders directly.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the Broker Centre and the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Please ensure that in the event a Bid cum Application form is submitted at the terminals of the Syndicate Members and the payment is proposed to be made through the ASBA process, the SCSB with whom the payment is to be blocked has a branch at any of the Bidding Centres referred to in the Circular.

## Other Instructions

### *Joint Bids in the case of Individuals*

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments / 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. It is clarified, however, that Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All Bids will be checked for common PAN and Bids with common PAN 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. In cases where the PAN is different, the same will be deleted from this master.
- b. The Bids will be scrutinised 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.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds registered with SEBI and such Bids in respect of more than one scheme will not be treated as multiple Bids provided that the Bids clearly indicates the scheme for which the Bid has been made.

After submitting a Bid cum Application Form either in physical or electronic mode, where such ASBA Bid is 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 or to any member of the Syndicate or to any Broker Centre, 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 the Issue. Duplicate copies of Bid cum Application Form available on the website of the Stock Exchange bearing the same application number will be treated as multiple Bids and are liable to be rejected. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form.

### **Permanent Account Number ("PAN")**

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

This requirement is not applicable to Bids received on behalf of the Central and State Governments, from residents of the state of Sikkim and from officials appointed by the courts.

### **Withdrawal of Retail ASBA Bids**

Retail Individual Bidders can withdraw their Bids until finalisation of Basis of Allotment. In case a Retail Individual Bidder applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, they could do so by submitting a request for the withdrawal of their Bid to the concerned SCSB or the concerned member of the Syndicate or the Broker Centre, as applicable, who would take all necessary action, including unblocking of the funds by the SCSB in the ASBA Account. In case a Retail Individual Bidder wishes to withdraw the Bid after the Bid/Issue Period, they can do so by submitting a withdrawal request to the Registrar to the Issue until finalisation of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account.

**QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage.**

### **Right to Reject Bids**

In case of QIB Bidders, bidding under the QIB Portion, our Company, in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders our Company has a right to reject Bids on technical grounds. 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 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, our Company would have a right to reject the ASBA Bids only on technical grounds.

### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

- a) Amount paid does not tally with the highest number 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;
- b) 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;
- c) Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;



- d) PAN number not stated and GIR number given instead of PAN number, except for Bids on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts;
- e) Bids for lower number of Equity Shares than specified for that category of investors;
- f) Bids at a price less than the Floor Price;
- g) Bids at a price more than the Cap Price;
- h) Submission of more than five Bid cum Application forms per bank account in the case of ASBA Bids;
- i) Bids at cut-off price by Non-Institutional and QIB Bidders;
- j) Bids for number of Equity Shares which are not in multiples of [●] Equity Shares ;
- k) Category not ticked;
- l) Multiple bids as defined in this Red Herring Prospectus;
- m) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- n) Bids accompanied by Stock invest/ money order/postal order/cash;
- o) Signature of sole and / or joint bidders missing. With respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
- p) Bid cum Application Form does not have the stamp of the BRLM or Syndicate Member;
- q) Bid cum Application Form by ASBA bidders does not have the stamp of the SCSB, except for Bid cum Application Forms downloaded from the website of the Stock Exchange, in which case the Bid Cum Application Forms shall bear a unique application number;
- r) Bids by QIBs not submitted through the BRLM / Syndicate Members or in case of ASBA Bids for QIBs submitted to SCSBs, not intimated to the BRLM / Syndicate Members;
- s) Signatures of the Bidder not matching with his sign on record with the SCSB in the event a Bid cum Application Form is submitted through a Syndicate/ sub – syndicate member of through a Broker Centre.
- t) Bid cum Application Form does not have Bidder's depository account details;
- u) In case no corresponding record is available with the Depository that matches three parameters: PAN of the sole name of the Bidder, Depository Participant's identity (DP ID) and beneficiary's account number;
- v) Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
- w) 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;

- x) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For further details, please refer to the paragraph titled 'Maximum and Minimum Bid Size' beginning on page 221 of the Red Herring Prospectus;
- y) Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);
- z) Bids by persons in the United States;
- aa) Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- bb) Bids not uploaded on the terminal of the Stock Exchange;
- cc) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- dd) Bids by OCBs without specific approval of the RBI;
- ee) 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 by the members of the Syndicate do not match with the DP ID, client ID and PAN available in the records with the depositories. Non-submissions of bank account details in the space provided in the application form;
- ff) ASBA Applications made by using duplicate copy of Bid cum Application Form downloaded from the website of the Stock Exchange (i.e. two Bid cum Application Forms bearing the same unique identification number);
- gg) Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid amount is in excess of ₹ 2,00,000 uploaded after 4.00 p.m. on the Bid/ Issue Closing Date;
- hh) Bids by NRIs not disclosing their residential status;
- ii) Bids less than [●] equity shares;
- jj) QIBs applying other than sub-accounts of foreign institutional investors registered with SEBI;
- kk) NIBs applying other than sub-accounts of foreign institutional investors registered with SEBI; which are foreign corporate or foreign individuals;
- ll) Application through cheques/ demand drafts by QIBs and Non-Institutional Investors; and
- mm) SCSBs applying on own account using ASBA facility must have a separate bank account in their name with any other SCSB which is solely for the purposes of making such ASBA application and having clear demarcated funds blocked for the same. SCSBs applying using an ASBA account held with themselves are liable to be rejected.

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 BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES THE APPLICATION IS LIABLE TO BE REJECTED AND OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

FURTHER, BIDS BY PERSONS PROHIBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

For Bid cum Application Forms submitted by non-ASBA Bidders, the Basis of Allotment will be based on the Registrar to the Issue's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic Bid details in terms of SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid details and the Depository database. In case of any discrepancy between the electronic Bid data and the Depository records, our Company in consultation with the BRLM, the Registrar to the Issue and the Designated Stock Exchange, reserves the right to proceed as per the Depository records or treat such Bid as rejected.

For ASBA Bids submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs, and match such data with the Depository database for correctness of DP ID, Client ID and PAN. In cases where any DP ID, Client ID and PAN mentioned in the Bid file does not match the one available in the Depository database, our Company reserves the right to proceed as per the Depository records for such ASBA Bids or treat such ASBA Bids as rejected. The Registrar to the Issue will reject multiple ASBA Bids based on common PAN.

For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the Basis of Allotment will be based on the Registrar to the Issue's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic bid details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid data and the Depository records. In case of any discrepancy between the electronic Bid data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the BRLM and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Bid as rejected.

### **Basis of Allotment or Allocation**

#### **For Retail Individual Bidders**

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
4. In the event, the Bids received from Retail Individual Bidders exceeds 1,000 Equity Shares, then the maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to Retail Individual Bidders will then be made in the following manner:
  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, all such Retail Individual Bidder shall be Allotted the minimum Bid Lot.

- In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.
5. Each successful Retail Individual Bidder shall be Allotted a minimum of [●] Equity Shares, subject to availability in of Equity Shares in the Retail Portion.

#### **For Non-Institutional Bidders**

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
2. 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 that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis being not less than [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **For Qualified Institutional Bidders in the QIB Portion**

1. Bids received from the QIB Bidders bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
2. 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.
3. Allotment shall be undertaken in the following manner:
  - i. In the first instance allocation to Mutual Funds for upto [●] of the QIB Portion shall be determined as follows:
    - a) In the event that Mutual Fund Bids exceeds [●] of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for upto [●] of the QIB Portion.
    - b) In the event that the aggregate demand from Mutual Funds is less than [●] of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.
    - c) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
  - ii. In the second instance Allotment to all QIBs bidding in the QIB portion shall be determined as follows:
    - a) Under-subscription below [●] of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- b) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto [●] of the QIB Portion.
- c) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

The aggregate Allotment available for allocation to QIB Bidders bidding in the QIB Portion shall not be more than [●] Equity Shares.

### **Method of proportionate Basis of Allotment in the Issue**

In the event of the Issue being over-subscribed, we shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The Executive 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 finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- i. Bidders will be categorised according to the number of Equity Shares applied for;
- ii. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- iii. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- iv. 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 [●] 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.
- v. If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is [●] or higher. If that number is lower than [●], it would be rounded off to the lower multiple of one. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.
- vi. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

### **Illustration of Allotment to QIBs and Mutual Funds ("MF") in the QIB Portion**

### i. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	2,000 million Equity Shares
2.	Allocation to QIB (50%)	1,000 million Equity Shares
4.	Portion available to QIBs	1,000 million Equity Shares
	Of which:	
	a. Allocation to MF (05%)	50 million Equity Shares
	b. Balance for all QIBs including MFs	950 million Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	5,000 million Equity Shares

### ii. Details of QIB Bids in the QIB Portion

Sr. No.	Type of QIB bidders <sup>#</sup>	Number of Equity Shares bid for (in millions)
1	A1	500
2	A2	200
3	A3	1,300
4	A4	500
5	A5	500
6	MF1	400
7	MF2	400
8	MF3	800
9	MF4	200
10	MF5	200
	Total	5,000

# A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

### iii. Details of Allotment to QIB Bidders/ Applicants

(Number of Equity Shares in millions)

Type of QIB bidders	Equity Shares bid for (in million)	Allocation of 50 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 950 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	500	0	96.00	0
A2	200	0	38.40	0
A3	1,300	0	249.50	0
A4	500	0	96.00	0
A5	500	0	96.00	0
MF1	400	10	74.80	84.80
MF2	400	10	74.80	84.80
MF3	800	20	149.70	169.70
MF4	200	5	37.40	42.40
MF5	200	5	37.40	42.40
	5,000	50	950	424.20

#### Please Note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the chapter titled "Issue Structure" beginning on page 205 of this Red Herring Prospectus.



2. Out of 1,000 million Equity Shares allocated to QIBs, 50 million (i.e. [●]) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 2,000 million Equity Shares in QIB category.
3. The balance 950 million Equity Shares (will be allocated on proportionate basis among 10 QIB applicants who have applied for 5,000 million Equity Shares (including five MF applicants who applied for 2,000 million Equity Shares).
4. The figures in the fourth column entitled “Allocation of balance 950 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
  - i. For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X950 / 4950.
  - ii. 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 950 / 4950.

The numerator and denominator for arriving at allocation of 1000 million Equity Shares to the 10 QIBs are reduced by 50 million Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

### **Equity Shares in Dematerialised Form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- i. a tripartite agreement dated May 31, 2012 with NSDL, our Company and Registrar to the Issue;
- ii. a tripartite agreement dated November 27, 2012 with CDSL, our Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant 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 either 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 Revision Form.
- Equity Shares allotted to a successful 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 account details in the Depository.
- If incomplete or incorrect details are given under the heading ‘Bidders Depository Account Details’ in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- 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 their Depository Participant.



- It may be noted that Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of our Company would only be in dematerialised form only for all investors.

## Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Broker Centre or the member of the Syndicate or the Designated Branch of the SCSBs 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 Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.**

## Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- 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 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 to the Issue 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 dispatch 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 to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

## Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through one of the following modes:

1. 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.
2. ECS / NECS – Payment of refund would be done through ECS / 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 is made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
3. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. 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.
4. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount is or exceeds ₹ 2 lacs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding IFSC code. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

### **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 twelve working days of the Bid/Issue Closing Date.

### **Disposal of Applications and Application Moneys**

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 twelve Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within ten days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within

twelve 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 twelve Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, our Company further undertakes that:

- a) Allotment of Equity Shares shall be made only in dematerialised form, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, within twelve Working Days of the Bid / Issue Closing Date;
- b) 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 twelve Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within eight days from the Bid/Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond the twelve 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 eight days from the day our Company becomes liable to repay (i.e. twelve Working Days after the Bid / Issue Closing Date or the date of refusal by the Stock Exchange, whichever is earlier). If such money is not repaid within eight days from the day our Company becomes liable to repay it, our Company and every officer in default shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% as prescribed under Section 73 of the Companies Act.

#### **Letters of Allotment or Refund Orders or instructions to the SCSBs**

We shall give credit to the beneficiary account with Depository Participants within twelve 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 ECS / NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and / or RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within ten 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 twelve Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue 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 eight Working days of the Bid/Issue Closing Date, which shall be completed within one Working Day after the receipt of such instruction from the Registrar to the Issue.

#### **Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to SCSBs by the Registrar to the Issue**

Our Company agrees that the Allotment of Equity Shares in the Issue shall be made not later than twelve 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 a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within twelve Working days from the Bid / Issue Closing Date or instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within eight Days of the Bid/Issue Closing Date, as the case may be.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on 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 centres will be payable by the Bidders.

### **Undertaking by our Company**

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to 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 twelve Working days of the Bid/Issue Closing Date;
- that the funds required for making refunds as per the modes disclosed or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within twelve Working days of the Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Instructions to SCSBs to unblock funds in the ASBA Accounts shall be given within nine working days of the Bid/Issue Closing Date.
- That the instruction for electronic credit of Equity Shares / refund orders / intimation about the refund to non-resident Indians shall be completed within the specified time;
- That no further Issue of Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue any time 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 inform the same to Stock Exchange on which the Equity Shares are proposed to be listed. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the closure of bidding, our Company shall be required to file a fresh Red Herring Prospectus with the Stock Exchange.

In the event of withdrawal of the Issue any time after the Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of withdrawal, then our Company, on and from such expiry of eight days, be liable to repay the money, with such interest as prescribed under Section 73 of the Companies Act

#### **Utilisation of the Issue proceeds**

The Board of Directors of our Company certifies that:

- i. all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- ii. details of all monies utilised out of this Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- iii. Details of all unutilised monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and Trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Title of Article	Article Number and contents
Table “A” not to apply but company to be governed by these Articles	1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/ Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

### INTERPRETATION

Title of Article	Article Number and contents
Interpretation Clause	2. In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:
the Act	(a) "the Act" means the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.
these Articles	(b) “these Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
Auditors	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.
Board or Board of Directors	(d) “Board” or “Board of Directors” means the Board of Directors of the Company or the Directors of the Company collectively.
Capital	(e) "Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company.
Chairman	(f) “The Chairman” means the Chairman of the Board of Directors, for the time being, of the Company.
Charge	(g) "Charge" includes a mortgage.
Company	(h) The “Company” shall mean <b>Opal Luxury Time Products Limited</b> .
Debenture	(i) "Debenture" includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
Directors	(j) “Directors” means the Board of Directors for the time being of the Company or as the case may be, the Directors assembled at a Board, or acting under a circular resolution under the Articles.
Dividend	(k) “Dividend” includes bonus unless otherwise stated.
Executor or Administrator	(l) “Executor” or “Administrator” means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.
Gender	(m) Words importing the masculine gender shall be deemed to include the feminine gender and vice versa.
In writing and written	(n) "In Writing" and “Written” includes printing lithography and other modes of representing or reproducing words in a visible form.
Legal Representative	(o) "Legal Representative" means a person who in law represents the estate of a deceased Member.
Marginal Notes	(p) The marginal notes hereto shall not affect the construction thereof.
Members	(q) "Members" means the duly registered holders, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of



Title of Article	Article Number and contents
	the Company.
Board Meeting or Meeting of Board	(r) "Board Meeting" or "Meeting of Board" means meeting of the Board of Directors.
Annual General Meeting	(s) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 166.
Extra-Ordinary General Meeting	(t) "Extra-Ordinary General Meeting" means an extraordinary General Meeting of the Members duly called and constituted, and any adjourned holding thereof.
Memorandum	(u) "Memorandum" means the Memorandum of Association of the Company as originally framed and/or altered from time to time.
Month	(v) "Month" means a calendar month.
National Company Law Tribunal	(w) "National Company Law Tribunal" means National Company Law Tribunal (Tribunal) as defined under section 10FB of the Companies Act, 1956.
Office	(x) "Office" means the registered office for the time being of the Company.
Ordinary Resolution	(y) "Ordinary Resolution" shall have the meanings assigned to it by Section 189(1) of the Act.
Paid Up	(z) "Paid-up" includes capital credited as paid up.
Person	(aa) "Person" shall be deemed to include corporations and firms as well as individuals.
Proxy	(ab) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.
Public Holiday	(ac) "Public Holiday" means public holiday within the meaning of the Negotiable Instruments Act, 1881 provided that no date declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
The Register of Members	(ad) "The Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.
The Registrar	(ae) "The Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.
Seal	(af) "Seal" means the common seal for the time being of the Company.
Secretary	(ag) "Secretary" means any individual possessing the prescribed qualifications under the Companies (Secretary's Qualification) Rules, 1975 appointed by the Board to perform the duties of a Secretary.
Shares	(ah) "Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied.
Special Resolution	(ai) "Special Resolution" shall have the meanings assigned to it by Section 189 of the Act.
The Statutes	(aj) "The Statutes" means the Companies Act, 1956 and every other Act for the time being in force affecting the Company.
Financial Year	(ak) "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
Singular Number	(al) Words importing the Singular number include where the context admits or requires the plural number and vice versa.
These presents	(am) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
Variation	(an) "Variation" shall include abrogation; and "vary" shall include abrogate.
Expressions in the Act to bear the same meaning in Articles	(ao) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.
	2(IA) "Electronic Form" with reference to information means, any information generated, sent, received or stored in media, magnetic, optical, computer



Title of Article	Article Number and contents
	<p>memory, micro film, computer generated micro fiche or similar device.</p> <p>2(IB) "Electronic Mode" means tele-conferencing and/or video conferencing facility i.e. audio-visual electronic communication facility which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.</p> <p>2(IC) "Electronic Record" means data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro fiche.</p>

## CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	<p>3.</p> <p>The authorised share capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with power to increase or reduce the share capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided by the regulations of the Company and consolidate, sub-divide the shares and issue shares of higher or lower denomination.</p> <p>Further, the Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.</p>
Increase of capital by the Company how carried into effect	<p>4.</p> <p>The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.</p>
New Capital same as existing capital	<p>5.</p> <p>Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.</p>
Non Voting Shares	<p>6.</p> <p>The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.</p>
Redeemable Preference Shares	<p>7.</p> <p>Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.</p>

Title of Article	Article Number and contents
Voting rights of preference shares	<p>8.</p> <p>The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.</p>
Provisions to apply on issue of Redeemable Preference Shares	<p>9.</p> <p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(b) No such Shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>10.</p> <p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>11.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division and cancellation of Shares	<p>12.</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

## MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

## SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>15.</p> <p>(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:</p> <p>(a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or</p>

Title of Article	Article Number and contents
	<p>(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>(3) Nothing in sub-clause (c) of (l) hereof shall be deemed;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.</p> <p>(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:</p> <p>(i) To convert such debentures or loans into Shares in the Company; or</p> <p>(ii) To subscribe for Shares in the Company</p> <p>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:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>(1) Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p> <p>(2) Subject to the provisions of section 81(1A) of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, provision of these articles and such other rules, procedures, Regulations and Guidelines as may be applicable any preferential issue of equity shares/warrants/fully convertible debentures/partially convertible debentures or any other financial instruments by the company which would be converted into or exchanged with equity shares at a later date shall be under the control of the Board which may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times either at par or at a premium and for such consideration as the Board thinks fit.</p>

Title of Article	Article Number and contents
Power to offer Shares/options to acquire Shares	<p>16A</p> <p>(i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.</p>
Application of premium received on Shares	<p>17.</p> <p>(1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.</p> <p>(2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p>
Power also to Company in General Meeting to issue Shares	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium</p>



Title of Article	Article Number and contents
	or at par or at a discount, such option 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.
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>18A</p> <p>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose</p> <p>In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
Shares at a discount	<p>19.</p> <p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>
Installments of Shares to be duly paid	<p>20.</p> <p>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued 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 Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>

Title of Article	Article Number and contents
Acceptance of Shares	<p>22.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>23.</p> <p>The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Members	<p>24.</p> <p>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>
Dematerialisation of securities	<p>25.(A)</p> <p><b>Definitions</b></p> <p><b>Beneficial Owner</b> “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p><b>SEBI</b> “SEBI” means the Securities and Exchange Board of India as established under section 3 of Securities and Exchange Board of India Act, 1992.</p> <p><b>Bye-Laws</b> “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p><b>Depositories Act</b> “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p><b>Depository</b> “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p><b>Record</b> “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p><b>Regulations</b> “Regulations” mean the regulations made by SEBI;</p> <p><b>Security/ Securities</b> “Security” means such security/ securities as may be specified by SEBI.</p>
Dematerialisation of securities	<p>25.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>



Title of Article	Article Number and contents
Options to receive security certificates or hold securities with depository	<p>25.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 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>
Rights of depositories and beneficial owners	<p>25.(E)</p> <p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository to Furnish Information.	<p>25.(F)</p> <p>Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p>
Service documents of	<p>25.(G)</p> <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 electronics mode or by delivery of floppies or discs.</p>
Option to opt out in respect of any security	<p>25.(H)</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.</p>
Sections 83 and 108 of the Act not to apply	<p>25.(I)</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <p>(1) Section 83 of the Act shall not apply to the Shares held with a Depository;</p> <p>(2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.</p>

Title of Article	Article Number and contents
Share certificate	<p>26.</p> <p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p> <p>(c) The Board may, from time to time, subject to the provisions of the Act and these Articles sub-divide/consolidate Share Certificates.</p>
Limitation of time for issue of certificates	<p>26A.</p> <p>Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p>
Renewal of share certificates	<p>27.</p> <p>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p>28.</p> <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts</p>

Title of Article	Article Number and contents
	<p>(Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall <i>mutatis mutandis</i> apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>29.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Issue of Shares without Voting Rights	<p>30.</p> <p>In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>31.</p> <p>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.</p>
Employees Stock Options Scheme/ Plan	<p>32.</p> <p>The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
Sweat Equity	<p>33.</p> <p>Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.</p>
Postal Ballot	<p>34.</p> <p>The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a</p>

Title of Article	Article Number and contents
	general meeting of the Company.
Company not bound to recognize any interest in Shares other than of registered holder	<p>35.</p> <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>
Trust recognised	<p>36.</p> <p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
Declaration by person not holding beneficial interest in any Shares	<p>37.</p> <p>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act</p> <p>2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act</p> <p>(4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p>

Title of Article	Article Number and contents
Funds of Company not to be applied in purchase of Shares of the Company	38. No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a 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 Share in the Company in its holding Company.

## UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	39. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

## INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	42. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

## DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	43. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act. (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of

Title of Article	Article Number and contents
	<p>Section 123 of the Act.</p> <p>(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.</p> <p>(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.</p> <p>(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>

## CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>44.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>45.</p> <p>Not less than <b>fourteen days'</b> notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>
Call deemed to have been made	<p>46.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>47.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>48.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of</p>



Title of Article	Article Number and contents
	calls shall apply to such amount or installment accordingly.
When interest on call or installment payable	<p>49.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p>
Evidence in action by Company against share holder	<p>50.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Payment in anticipation of calls may carry interest	<p>51.</p> <p>The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on Debentures of the Company.</p>

## LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	<p>52.</p> <p>Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>
Company's lien on	<p>53.</p> <p>The Company shall have first and paramount lien upon all Shares/ Debentures</p>



Title of Article	Article Number and contents
Shares/ Debentures	(other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article. Further, the fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares;
As to enforcing lien by sale	54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	55. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

## FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	56. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	57. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	58. The notice shall name a day, (not being less than fourteen days from the

Title of Article	Article Number and contents
	day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	59. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	60. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	61. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	65 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.  (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a

Title of Article	Article Number and contents
	<p>transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	<p>66.</p> <p>The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Cancellation of shares certificates in respect of forfeited Shares	<p>67.</p> <p>Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.</p>
Evidence of forfeiture	<p>68.</p> <p>The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>
Validity of sale	<p>69.</p> <p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p>
Surrender of Shares	<p>70.</p> <p>The Directors may subject to the provisions of the Act, accept a surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.</p>

## TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Further, a common transfer form shall be used.
Application for transfer	73. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	76. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register transfer	77. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a

Title of Article	Article Number and contents
	transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on partly paid up Shares.
Death of one or more joint holders of Shares	78. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.
Titles of Shares of deceased Member	79. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	80. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	81. Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".
Refusal to register nominee	82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as	83. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

Title of Article	Article Number and contents
a Member	
No fee on transfer or transmissions	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

## SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	87. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	88. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant (b) Not more than one person shall be recognized as depositor of the Share warrant (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of share	89. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the



Title of Article	Article Number and contents
warrant	Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	90. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	91. The Company may, by Ordinary Resolution: (a) convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	92. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under 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 stock arose.
Right of stock holders	93. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

## BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	95. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced



Title of Article	Article Number and contents
	the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	96. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures 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 and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	97. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider deem fit for the benefit of the Company.
Terms of issue of Debentures	98. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	99. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

## MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	100. The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
Annual General Meeting	101. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. 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 at the office of the Company or at some other place within the city in which the

Title of Article	Article Number and contents
	<p>Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p> <p>101A. Notwithstanding anything in these Articles and subject to the provision of Act or any other applicable law for the time being in force, every Member or Proxy entitled to attend General Meeting by his physical presence shall have an option to attend it by way of an Electronic Mode in such form &amp; manner or after following such procedure as the Company may prescribe from time to time. However, notice calling General Meeting of the Company shall inform Members about facility of participation through Electronic Mode for enabling them to access said facility.</p>
Report statement and registers to be laid before the Annual General Meeting	<p>102.</p> <p>The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.</p>
Extra-Ordinary General Meeting	<p>103.</p> <p>All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>
Requisitionists' meeting	<p>104.</p> <p>(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-</p> <p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or (b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in</p>

Title of Article	Article Number and contents
	<p>any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.</p> <p>(ii) the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.</p> <p>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra-Ordinary General Meeting</p>	<p>105.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p>Contents of requisition, and number of requisitionists required and the conduct of</p>	<p>106.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p>

Title of Article	Article Number and contents
Meeting	<p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) By the requisitionists themselves ; or</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>107.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
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Title of Article	Article Number and contents
Contents and manner of service of notice	<p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company.</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Member of the Company.</p> <p>(4) Notwithstanding anything in these Articles and subject to the provision of Act or any other applicable law for the time being in force, documents including but not limited to, notice convening General Meeting, explanatory statement, balance sheet, profit &amp; loss account, directors' report, auditors' report etc can be sent by the Company in electronic form, to the electronic mail address provided/updated by Members and made available to the Company by Depositories. If, however any Member wants to have physical copies of the aforesaid documents the same shall be supplied by the Company free of cost.</p>
Special and ordinary business and explanatory statement	<p>109.</p> <p>(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of</p>



Title of Article	Article Number and contents
	shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company. (3) Where 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.
Omission to give notice not to invalidate proceedings	110. The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

## MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	111. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
Quorum	112. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
If quorum not present when Meeting to be dissolved and when to be adjourned	113. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
Resolution passed at adjourned Meeting	114. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting.	115. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
	115(A)

Title of Article	Article Number and contents
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	116. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	117. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) 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. (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	118. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	119. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	120. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	121. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	122. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of	123. Where a poll is to be taken, the Chairman of the Meeting shall appoint two



Title of Article	Article Number and contents
scrutineers	scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	124. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	125. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

## VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	126. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	127. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	128. Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
	129.

Title of Article	Article Number and contents
Votes of Members of unsound mind	A Member of unsound mind, or in respect of whom 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.
Votes of joint Members	130. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.
Representation of body corporate	131. (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions 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 that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat. (b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.
Votes in respects of deceased or insolvent Members	132. Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Voting in person or by proxy	133. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
	134.

Title of Article	Article Number and contents
Rights of Members to use votes differently	On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Electronic Voting or Electronic Vote	134A. Notwithstanding anything in these Articles and subject to the provision of Act or any other applicable law for the time being in force, every Member or Proxy entitled to attend General Meeting of the Company through Electronic Mode shall also be entitled to cast his Electronic Vote in such form & manner prescribed by the Company, from time to time, for this purpose.
Proxies	<p>135.</p> <p>Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.</p> <p>135A. Unless otherwise prescribed in the Act or any other applicable law for the time being in force, Members entitled to attend &amp; vote at General Meeting of the Company through Electronic Mode shall also be entitled to appoint Proxies to attend &amp; vote instead of himself after following due procedure prescribed by the Company in this behalf.</p>
Proxy either for specified meeting or for a period	<p>136.</p> <p>An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.</p>
No proxy to vote on a show of hands	<p>137.</p> <p>No proxy shall be entitled to vote by a show of hands.</p>
Instrument of proxy when to be deposited	<p>138.</p> <p>The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.</p>
Form of Proxy	<p>139.</p> <p>Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.</p>
Validity of votes given by proxy notwithstanding revocation of authority	<p>140.</p> <p>A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any</p>

Title of Article	Article Number and contents
	Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	141. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	142. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	143. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
Electronic Vote by Proxies	143A. Unless otherwise prescribed in the Act or any other applicable law for the time being in force, Proxies, attending General Meeting conducted through Electronic Mode after their due appointment, shall be entitled to cast his Electronic Vote in such form & manner as prescribed by the Company, from time to time, for this purpose.

## DIRECTORS

Title of Article	Article Number and contents
Number of Directors	144. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
First Directors	144A. The First Directors of the Company: 1. Ms. Deepti Gujar D/o Mr. Subhash Gujar 2. Mrs. Pratibha Gujar W/o Mr. Subhash Gujar 3. Mrs. Sujata Mahindrakar W/o Mr. Nagesh Mahindrakar
Appointment of Directors	145. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
Debenture Directors	146. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as

Title of Article	Article Number and contents
Nominee Director or Corporation Director	<p>may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p> <p>147.</p> <p>a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.</p> <p>b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</p> <p>d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys 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 or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>



Title of Article	Article Number and contents
Special Director	<p>148.</p> <p>The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporations that he or it shall have the right to appoint him or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit.</p> <p>Such nominee and their successors in office appointed under this Article shall be called “Special Director” of the Company.</p> <p>The Special Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meeting and meetings of the committee of which the Special Director/s is/are members/s as also the minutes of such meetings. Such Special Directors shall not be required to hold any qualification shares nor be liable to retire by rotation.</p> <p>The Special Directors appointed hereof shall be entitled to hold office until requested to retire by the Person, firm or corporation which may have appointed him/them and not will be liable to retire by rotation. As and when the Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the Person, firm corporation who are or which appointed such Director may appoint any other Director in his place. A Special Director may, at any time, by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as may other Director of the Company</p>
Limit on number of retaining Directors	<p>149.</p> <p>The provisions of Articles 146, 147,148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>150.</p> <p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
Directors may fill in vacancies	<p>151.</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
	152.

Title of Article	Article Number and contents
Additional Directors	The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	153. A Director need not hold any qualification shares.
Directors' sitting fees	154. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.  154A. Notwithstanding anything in these Articles and subject to the provisions of Act or any other law for the time being in force, Director attending Board Meeting through Electronic Mode in accordance with the provisions of these Articles shall be entitled for sitting fees.
Extra remuneration to Directors for special work	155. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.  Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii) by way of commission if the Company by a Special Resolution authorizes such payment.
Traveling expenses incurred by Directors on Company's business	156. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
Director may act notwithstanding vacancy	157. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other



Title of Article	Article Number and contents
Board resolution necessary for certain contracts	<p>purposes.</p> <p>158.</p> <p>(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>(b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;</p> <p>(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholtime Director	<p>159.</p> <p>When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Wholtime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>
Directors of interest	<p>160.</p> <p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of</p>

Title of Article	Article Number and contents
General notice of disclosure	<p>the Act.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
Directors and Managing Director may contract with Company	<p>161.</p> <p>Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.</p>
Disqualification of the Director	<p>162.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p>
Vacation of office by Directors	<p>163.</p> <p>The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(e) 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 unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a</p>

Title of Article	Article Number and contents
	<p>director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office, or</p> <p>(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p> <p>163A. Notwithstanding anything in Article 163(f), office of a Director shall not become vacant nor shall he be dis-qualified from continuing as a Director if he attends Board Meeting of the Company through Electronic Mode.</p>
Vacation of office by Directors (contd.)	<p>164.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 162 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Removal of Directors	<p>165.</p> <p>(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent(before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director</p>

Title of Article	Article Number and contents
	<p>may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(h) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Interested Directors not to participate or vote in Board's proceedings	<p>166.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the Company	<p>167.</p> <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>
Appointment of Sole Selling Agents	<p>168.</p> <p>a) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in</p>

Title of Article	Article Number and contents
	<p>accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> <p>b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</p>

## ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	<p>169.</p> <p>Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
Retirement of Directors	<p>170.</p> <p>Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.</p>
Retiring Directors	<p>171.</p> <p>Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p>
Appointment of Technical or Executive Directors	<p>172.</p> <p>a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.</p> <p>b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.</p>
Ascertainment of Directors retiring by rotation and filling of vacancies	<p>173.</p> <p>Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.</p>
Eligibility for re-election	<p>174.</p> <p>A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.</p>
Company to fill vacancies	<p>175.</p> <p>Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.</p>
	<p>176.</p>



Title of Article	Article Number and contents
Provision in default of appointment	<p>(a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.</p> <p>(iii) he is not qualified or is disqualified for appointment</p> <p>(iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>177.</p> <p>Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>178.</p> <p>(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>179.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.</p> <p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the</p>

Title of Article	Article Number and contents
	<p>English language and the other in the regional language of that place.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act, appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	<p>180.</p> <p>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>
Votes of Body Corporate	<p>181.</p> <p>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p>

## MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>182.</p> <p>(1) Subject to the provisions of the Act, the Board may from time to time appoint one or more of their body to the office of Managing Directors for such period and on such terms it may think fit and subject to the terms of any agreement entered into with him may revoke such appointment, in making such appointment(s) the Board shall ensure compliance with the requirements of law and seek and obtain such approvals as are prescribed by the Act.</p> <p>(2) Subject to the provisions of the Act and these Articles, the Managing Directors or Managing Director shall not while he or they continue to hold that office be subject to retirement by rotation but he or they shall be subject to the provisions of any contract between him and them and the Company, be subject to same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso-facto and immediately cease to be Managing Director or Managing Directors if he or they cease to hold the office of the Director for any cause.</p>
Remuneration of	<p>183.</p> <p>The Managing Director or Managing Directors may be paid remuneration either</p>



Title of Article	Article Number and contents
Managing Director	by way of monthly payment or a specified percentage of the net profit of the Company or partly by one way and partly by other or any other mode not expressly prohibited by the Act.
Certain persons not to be appointed Managing Director(s)	<p>184.</p> <p>The Company shall not appoint or employ or continue the appointment or employment of a person as its Managing Director or Whole-time Director who-</p> <p>(a) is an undischarged insolvent or has at any time been adjudged an insolvent;</p> <p>(b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them;</p> <p>(c) is or has at any time been convicted by a court of an offence involving moral turpitude</p>
Powers of Managing Director	<p>185.</p> <p>The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.</p>
	<p>186.</p> <p>The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p>
	<p>187.</p> <p>Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.</p>
	<p>188.</p> <p>The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p>
	<p>189.</p> <p>Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
Appointment and powers of Manager	<p>189A</p> <p>The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer</p>

Title of Article	Article Number and contents
	such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

## WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole Time Director and/or Whole-time Directors	<p>190.</p> <p>(1) Subject to the provisions of the Act in force from time to time, the Board may appoint one or more of their body to the office of the Whole Time Director of Whole Time Directors for a term not exceeding years at a time as may be thought fit and may from time to time (subject to provisions of any contract between him/them and the Company) remove or dismiss him or them from office and appoint any or others in or their place or places.</p> <p>(2) Subject to the provisions of the Act and these Articles, the Whole-time Directors or Whole-time Directors shall not while he or they continue to hold that office be subject to retirement by rotation but he or they shall subject to the provisions of any contract between him and them and the Company, be subject to same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso-facto and immediately cease to be Whole-time Director or Whole-time Directors if he or they cease to hold the office of the Director for any cause.</p>
To what provisions Whole time Directors shall subject	<p>191.</p> <p>Whole Time Director or Whole Time Directors shall carry out such functions as may be assigned to him/them by the Managing Director from time to time or the Board of directors as it may deem fit.</p> <p>Whole Time Director or Whole Time Directors shall not be paid sitting fees for attending meeting of the Board of Directors or any committee(s) thereof.</p>
Seniority of Whole Time Director and Managing Director	<p>192.</p> <p>If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company</p>

## PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	<p>193.</p> <p>The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and atleast four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been</p>

Title of Article	Article Number and contents
	<p>called in compliance with the terms of this Article could not be held for want of a quorum.</p> <p>193A. Notwithstanding anything in these Articles and subject to the provision of Act or any other applicable law for the time being in force, every Director entitled to attend Board Meeting of the Company by his physical presence may attend it by way of an Electronic Mode in such manner or after following such procedure as Company may prescribe from time to time in this regard. However, the notice convening Board Meeting shall inform them regarding facility of participation through Electronic Mode and provide necessary information to enable the Directors to access the said facility. The notice shall seek confirmation from Directors whether he will exercise the Electronic Mode or attend the meeting in person. In the absence of any such confirmation, it will be presumed that the Director will physically attend the meeting. All electronic recording of the Board Meeting will be done at the place where Chairman or Secretary sits during the Meeting.</p>
Quorum	<p>194.</p> <p>(a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time.</p> <p>(b) for the purpose of clause(a)</p> <p>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p> <p>194A. Notwithstanding anything in these Articles and unless otherwise provided in the Act or any other law for the time being in force, Director participating in a Meeting of the Board through Electronic Mode shall be counted for the purpose of quorum.</p>
Procedure when Meeting adjourned for want of quorum	<p>195.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically 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, unless otherwise adjourned to a specific date, time and place.</p>
Chairman of Meeting	<p>196.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
Question at Board meeting how decided	<p>197.</p> <p>Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p>
Powers of Board	<p>198.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be</p>

Title of Article	Article Number and contents
meeting	competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.
Directors may appoint Committee	199. The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.
Meeting of the Committee how to be governed	200. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.
Circular resolution	201. (a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held. (b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding defect in appointment	202. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management	203. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by

Title of Article	Article Number and contents
vested in the Board of Directors	<p>the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, 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 Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's banker in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
Certain powers to be exercised by the Board only at Meetings	<p>204.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and</p>



Title of Article	Article Number and contents
	<p>(e) to the extent specified below:</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
<p>Certain powers of the Board</p>	<p>205.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <ol style="list-style-type: none"> <li>1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</li> <li>2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.</li> <li>3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</li> <li>4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</li> <li>5. To secure the fulfillment of any contracts or engagement 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 manner as they may think fit.</li> <li>6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</li> <li>7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</li> <li>8. 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 payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.</li> <li>9. To act on behalf of the Company in all matters relating to bankruptcy and</li> </ol>

Title of Article	Article Number and contents
	<p>insolvency, winding up and liquidation of companies.</p> <p>10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>11. Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the</p>



Title of Article	Article Number and contents
	<p>Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants 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 or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.</p> <p>18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) 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 any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p>

Title of Article	Article Number and contents
	<p>22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company 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.</p> <p>23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>31. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

## MANAGEMENT

Title of Article	Article Number and contents
Prohibition of simultaneous appointment of different categories of managerial personnel	206. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :- a) Managing Director and b) Manager.

## MINUTES

Title of Article	Article Number and contents
Minutes to be made	207. (1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered. (2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed: (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.  (3) Unless otherwise prescribed in the Act or any other applicable law for the time being in force, Company shall preserve electronic recording of Board Meeting conducted through Electronic Mode for a period of one year from the conclusion of said meeting.
Minutes to be evidence of the proceeds	208. (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.
Books of minutes of General Meeting to be kept	(b) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.
Presumptions	209. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

## THE SECRETARY

Title of Article	Article Number and contents
Secretary	<p>210.</p> <p>The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.</p>
The Seal, its custody and use	<p>211.</p> <p><b>(a) Seal</b> The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.</p> <p><b>(b) Common Seal for use outside India</b> The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956</p> <p><b>(c) Safe Custody of Seal</b> The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company.</p> <p><b>(d) Affixing of Seal on deeds and instruments’</b> On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.</p> <p><b>(e) Affixing of Seal on Share Certificates</b> Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.</p> <p><b>(f) Removal of Common Seal outside the office premises</b> The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.</p>

## DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	<p>212.</p> <p>(a) 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 the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;</p> <p>(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.</p>
The Company at General Meeting	<p>213.</p> <p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may</p>

Title of Article	Article Number and contents
may declare dividend	fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	215. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	216. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	217. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	218. 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 provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	219. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	221. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	222. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other



Title of Article	Article Number and contents
	means.
Notice of dividend	223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	224. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	225. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unpaid or unclaimed dividend	226. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Opal Luxury Time Products Limited____ (year) Unpaid Dividend Account". Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law
Set-off of calls against dividends	227. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.
Dividends in cash	228. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
	229.



Title of Article	Article Number and contents
Capitalisation	<p>(1)The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b)that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	<p>230.</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>231.</p> <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2)The Board shall have full power:</p> <p>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also</p> <p>(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 capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

## ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	<p>232.</p> <p>(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>a. all sums of money received and expended by the Company and the</p>

Title of Article	Article Number and Contents
	<p>matters in respect of which the receipt and expenditure takes place</p> <p>b. all sales and purchases of goods by the Company</p> <p>c. the assets and liabilities of the Company and</p> <p>d. if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.</p>
Inspection by Members	<p>233.</p> <p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>234.</p> <p>The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	<p>235.</p> <p>(1) The Company shall comply with the requirements of Section 219 of the Act.</p> <p>(2) The copies of every balance sheet including the Profit &amp; Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</p> <p>A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
Accounts to be audited	<p>236.</p> <p>Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.</p>
Appointment of Auditors	<p>237.</p> <p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.</p> <p>(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.</p> <p>(3) At any Annual General Meeting a retiring Auditor by whatsoever authority</p>

Title of Article	Article Number and Contents
	<p>appointed shall be reappointed unless:</p> <p>(a) he is not qualified for re-appointment;</p> <p>(b) he has given to the Company notice in writing of his unwillingness to be re-appointed;</p> <p>(c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or</p> <p>(d) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.</p> <p>(4) Where at any Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.</p> <p>(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.</p> <p>(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a 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 fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>238.</p> <p>Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

## DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
To whom documents must be served or given	<p>239.</p> <p>Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 109, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p>
Members bound by documents or notices served on or given to previous holders	<p>240.</p> <p>Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>

Title of Article	Article Number and Contents
Service of documents on the Company	241. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
Authentication of documents and proceedings	242. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.

## REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>243.</p> <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <p>(a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act</p> <p>(b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.</p> <p>(c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act.</p> <p>(d) Foreign register, if so thought fit, as required by Section 157 of the Act</p> <p>(e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.</p> <p>(f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.</p> <p>(g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.</p> <p>(h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act.</p> <p>(i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.</p> <p>(j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.</p> <p>243A. notwithstanding anything in these Articles and subject to the provisions of the Act or any other law for the time being in force, the Company may maintain its records, registers &amp; documents in Electronic Form.</p>
Inspection of Registers	<p>244.</p> <p>The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

## WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	<p>245.</p> <p>If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p>
Distribution in specie or kind	<p>246.</p> <p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst 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 liquidator, with the like sanction, shall think fit.</p> <p>(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	<p>247.</p> <p>A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.</p>
Directors and others right to indemnity	<p>248.</p> <p>Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so</p>



Title of Article	Article Number and Contents
	as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.
Director, officer not responsible for acts of others	249. Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for 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 for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

## SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	250. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	251. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of filing of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to NSE for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 a.m. to 4.00 p.m. from the date of filing of the Red Herring Prospectus until the Bid/Issue Closing Date of this Issue.

#### Material Contracts

1. Issue Agreement dated January 22, 2013 between our Company and IDBI Capital Market Services Limited appointing them as the Book Running Lead Manager to the Issue.
2. Agreement dated December 26, 2012 between our Company and Karvy Computershare Private Limited appointing them as Registrar to the Issue.
3. Escrow Agreement dated March 14, 2013 between our Company, the BRLM, Escrow Collection Bank and the Registrar to the Issue.
4. Syndicate Agreement dated March 14, 2013 between our Company, BRLM, and the Syndicate Members.
5. Underwriting Agreement dated March 14, 2013 between our Company and IDBI Capital Market Services Limited.
6. Market Making Agreement dated March 14, 2013 between our Company and IDBI Capital Market Services Limited.
7. Tripartite agreement dated May 31, 2012 between our Company, NSDL and the Registrar to the Issue.
8. Tripartite agreement dated November 27, 2012 between our Company, CDSL and the Registrar to the Issue.

#### Material Documents

1. The Memorandum and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated February 10, 2007 in the name of “Opal Luxury Time Products Private Limited” bearing Corporate Identity Number U33309PN2007PTC129597 has been issued to our Company by Registrar of Companies, Maharashtra, Pune.
3. Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated November 01, 2012 bearing Corporate Identity Number U33309PN2007PLC129597 has been issued to our Company by Registrar of Companies, Maharashtra, Pune pursuant to change of name of our Company to “Opal Luxury Time Products Limited”.
4. Resolution passed at the meeting of the Board of Directors held on October 15, 2012, for authorising the Issue.

5. Resolution passed at the Extra-ordinary General Meeting held on October 25, 2012, for authorising the Issue.
6. Resolution passed at the meeting of the Board of Directors held on December 15, 2010 for appointment of Mr. Sameer Gujar as the Managing Director of our Company.
7. Copies of the annual reports of our Company for FY 2008, 2009, 2010, 2011 and 2012.
8. Copy of the 'Statement of Tax Benefits' dated January 08, 2013 issued by the Statutory Auditors, M/s. Bharat J. Rughani & Co., Chartered Accountants.
9. Report of the Statutory Auditors, M/s. Bharat J. Rughani & Co., Chartered Accountants dated January 09, 2013 on our Company's restated financial statements for FY 2008, 2009, 2010, 2011 and 2012 and for the half year ended September 30, 2012.
10. Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Statutory Auditors, Banker(s) to our Company, Escrow Collection Bank(s), Refund Bank(s), Syndicate Members, IPO Grading Agency, BRLM, the Registrar to the Issue and the Legal Advisor to the Issue, to act in their respective capacities.
11. Assignment Deed dated November 17, 2012 between Mrs. Pratibha Gujar and our Company.
12. Assignment Deed dated November 17, 2012 between Mr. Subhash Gujar & Mr. Nagesh Mahindrakar and our Company.
13. Trademark Assignment Agreement dated December 15, 2012 Mr. Subhash Gujar and our Company.
14. CRISIL SME fundamental Grading Report and grading rationale dated February 22, 2013 issued by CRISIL Limited.
15. Agreement for Transfer of Business Know-How/Connections and Related Goodwill dated November 17, 2012 between M/s. Opal Industries and our Company.
16. In-principle listing approval from NSE dated January 29, 2013.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the undersigned, hereby certify and declare that, all the relevant provisions of the Companies Act, and the guidelines issued by the Government of India and / or the regulations / guidelines issued by the Securities and Exchange Board of India, as applicable, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules, regulations or guidelines issued there under including the SEBI ICDR Regulations, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OPAL LUXURY TIME PRODUCTS LIMITED

Name and designation	Signature
<i>Mr. Sameer Gujar</i> Managing Director	
<i>Mrs. Pratibha Gujar</i> Non-Executive & Non-independent Director	
<i>Mr. Ramprasad Joshi</i> Non-Executive & Independent Director	
<i>Mr. Odayammadath Korothe Balraj</i> Non-Executive & Non-independent Director	
<i>Mr. Pradeep Tupe</i> Non-Executive & Independent Director	
<i>Mr. Ramachandran Nair</i> Non-Executive & Independent Director	

### SIGNED BY CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
**Mr. Sanjay Goel**

Date: March 14, 2013

Place: Pune

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY IDBI CAPITAL MARKET SERVICES LIMITED, THE BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**Table 1**  
**Price information**

Sr. No.	Issue Name	Issue Size (mn)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing) vs Issue Price	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark Index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar day from listing day (₹)	Benchmark Index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
1.	PC Jeweller Ltd.	6,012.87	135.00	December 27, 2012	135.50	149.20	10.37 %	5,870.10	181.65	5,988.40	168.90	6,056.60	157.5	6,074.3
2.	Credit and Analysis Rating Agency	5,399.78	750.00	December 26, 2012	949.00	922.55	23.20 %	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
3.	Thejo Engineering Limited	190.00	402.00	September 18, 2012	403.00	403.00	0.25 %	5,600.05	375.00	5,649.50	375.00	5,746.95	392.90	5,660.25
4.	NBCC Limited	1,272.00	106.00	April 12, 2012	101.00	96.95	-8.54 %	5,276.85	96.35	5,200.60	94.75	5,239.15	86.55	4,928.90
5.	SRS Limited	2,030.00	58.00	September 16, 2011	68.00	33.25	-42.67 %	5,084.25	33.85	4,835.40	30.15	4,888.05	35.40	5,118.25
6.	Aanjaneya Lifecare Limited	1,170.00	234.00	May 27, 2011	218.00	311.10	32.95 %	5,476.10	376.70	5,532.05	364.40	5,447.50	390.45	5,526.60
7.	MOIL Limited	12,379.50	375.00	December 15, 2010	565.00	465.05	24.01 %	5,892.30	448.85	6,011.60	453.95	6,157.60	442.15	5,751.90
8.	Gujarat Pipavav Port Limited	5,538.50	46.00	September 9, 2010	56.10	54.05	17.50 %	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45

Sr. No.	Issue Name	Issue Size (mn)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing) vs Issue Price	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark Index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar day from listing day (₹)	Benchmark Index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
9.	SJVN Limited	10,439.10	26.00	May 20, 2010	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
10.	ARSS Infrastructure Projects Limited	1,030.00	450.00	March 03, 2010	630.00	737.45	63.88%	5,088.10	750.40	5,137.00	908.90	5,205.20	991.75	5,290.50

**Notes:**

In case of discounts given to certain categories of investors, the undiscounted issue price has been taken as the issue price.

Issue size has been taken net of promoter's contribution, if any.

If the 10th, 20th and 30th calendar day from listing day is not a working day, closing price on next working day has been taken.

All prices are according to trades on NSE and the benchmark index is the Nifty. If the stock is not listed on the NSE, the BSE prices are taken and SENSEX is the benchmark.

**Table 2**  
**Summary statement**

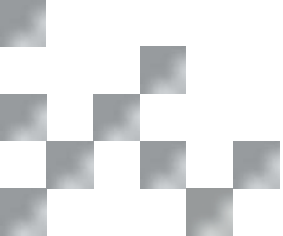
Financial Year	Total No. of IPOs	Total Funds Raised (₹Cr)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			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%
2012-2013	4	1,287.45			1			3			2			2
2011-2012	2	320.00		1			1			1		1		

Financial Year	Total No. of IPOs	Total Funds Raised (₹Cr)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
2010-2011	3	2,835.71			1			2			1		1	1
2009-2010	4	2,838.12			1	1		2		1		1		2

**Note:**

Total Funds raised is taken as the sum of individual Issue Size.





February 2013

# CRISIL SME Fundamental Grading



## Opal Luxury Time Products Ltd

CRISIL SME Fundamental Grade 4/5  
(Superior)



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## CRISIL SME fundamental grading scale

The CRISIL SME fundamental grade reflects the fundamentals of the company as compared to other SMEs in India.

CRISIL SME Fundamental Grade	Assessment
SME 5/5	Excellent fundamentals
SME 4/5	Superior fundamentals
SME 3/5	Good fundamentals
SME 2/5	Moderate fundamentals
SME 1/5	Poor fundamentals

## About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

## About CRISIL Research

CRISIL Research is India's largest independent and integrated research house. We provide insights, opinions, and analysis on the Indian economy, industries, capital markets and companies. We are India's most credible provider of economy and industry research. Our industry research covers 70 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our network of more than 4,500 primary sources, including industry experts, industry associations, and trade channels. We play a key role in India's fixed income markets. We are India's largest provider of valuations of fixed income securities, serving the mutual fund, insurance, and banking industries. We are the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today India's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgments and forecasts with complete objectivity. We leverage our deep understanding of the macro economy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. We deliver our research through an innovative web-based research platform. Our talent pool comprises economists, sector experts, company analysts, and information management specialists.

## CRISIL Privacy

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### Grading summary

CRISIL has assigned a CRISIL SME fundamental grade of 'SME 4/5' (pronounced "SME four on five") to the proposed IPO of Opal Luxury Time Products Ltd (Opal). This SME fundamental grade indicates that the fundamentals of the company are superior compared to other SMEs in India.

#### Key strengths

- First-mover advantage, aesthetic designs and consistent product innovation position Opal as an established player in the premium wall clock industry in India.
- Opal's promoters have a long-standing experience in the clock industry, which has enabled them to better understand the consumers' tastes and preferences which, in turn, has helped the company expand its product portfolio.
- Opal is poised to benefit from the changes in consumption dynamics following increased discretionary spending by the Indian middle class on the back of higher disposable income, desire for better standard of living, housing growth and growing penetration of organised retail.
- The company is present in the economy (price below ₹700) range via Caliber brand and in the premium range (above ₹1,500) through Opal brand.
- It has an extensive pan-India distribution network - nine distributors (catering to over 207 dealers), 35 direct dealers and 91 shop-in-shops. It plans to market its products through 21 stores of Nilkamal Group and 15 Nesta furniture stores of Century Plywood. It has also ventured into online sales via online shopping portals and has tie-ups with 10 online portals besides its own shopping portal.

#### Key challenges

- While Opal leverages on a decent brand recall, competition from unorganised players is high.
- It imports more than 70% of its raw materials (moulds for critical components and movements); its lead time to procure raw materials for any model is over three months which limits its ability to deliver bulk orders at a short notice.
- The small size of operations weakens Opal's bargaining power vis-à-vis big retail players.
- Opal has high working capital cycle of around 200 days because of import dependency which requires an inventory of three months. Also, currently the debtors are on a higher side.
- The salary of the KMP (key management personnel) is on the lower side; retaining them would be a challenge.

#### Key financials

- Opal's net revenues have grown at a two-year CAGR of 26% to ₹172 mn driven by volume growth, which was supported by expansion in the distribution network.
- EBITDA margin improved from 22.4% in FY10 to 27.2% in FY12 due to lower raw material and marketing expenses. Raw material costs as a percentage of sales declined because of lower imports coupled with increase in realisation rates of brand Opal.
- Net income has increased at a two-year CAGR of 41% from ₹14.5 mn in FY10 to ₹28.9 mn in FY12 because of increase in EBITDA margins and income tax benefits available in Roorkee, where the manufacturing unit is located.



### ***Company background***

Pune-based Opal manufactures and markets high-end designer luxury clocks at its manufacturing plant in Roorkee, Uttarakhand. The company sells two brands: Opal, with a product range of over 109 exclusive wall clock and table clock models; and Caliber, launched in May 2010 in the more affordable price range.

The business was originally established by Mr Subhash Gujar in Pune in 1996 and was later converted into a private limited company in February 2007. Mr Chandu Chavan, promoter of Innoventive Industries Ltd, along with some major shareholders of that company acquired a majority stake in Opal in March 2007. Innoventive Venture Ltd (Mr Chavan's group) is not involved in day-to-day business operations and is financial investor in the company.

## Grading Rationale

### *Business prospects*

- Opal is an established player in the domestic wall clock market, largely comprising small organised players. Its regularly upgraded designs (visual appeal of the timepiece), high quality and technology (movements) allow it to command a significant premium over unorganised / local brands.
- The organised wall clock industry is expected to clock a CAGR of 12-15% over FY11-16. It is expected to benefit from the rise in discretionary spending by Indian middle class on the back of higher disposable income, growth in urban housing, desire for better standard of living and increasing penetration of organised retail. Opal, given its strong position in the industry, is likely to benefit from this growth.
- The company has pan-India distribution network of nine distributors (catering to over 207 dealers), 35 direct dealers and 91shop-in-shops counters. The distribution network has increased significantly in the past five years, including a presence in the organised retail segment. The company is planning to further increase its reach by expanding its dealer and distributor network.
- The company launched the Caliber brand in May 2010 in the mid price range (price between ₹500 to ₹1,500). However, owing to lukewarm response to the product, Opal re-launched the Caliber brand in the affordable price range (economy wall clock segment) to tap the budget-conscious customers in January 2012. It is setting up a separate distribution network for Caliber. Armed with this brand, the company plans to penetrate tier II-III cities. Successful execution of this strategy and establishment of a distribution network are key monitorables.
- Opal also markets its products through many big retail groups including Shoppers Stop, Home Town (Pantaloon), Reliance, Westside and Evok (100% subsidiary of Hindustan Sanitaryware & Industries Ltd). However, small size of operations weakens its bargaining power vis-à-vis the big retail players.
- The company procures its raw materials directly from its vendors in Taiwan. No Non-disclosure agreement (NDA) with the vendors to protect its business know-how exposes Opal to the risks of imitation if the vendors share the same with competitors. However, the management's strong relationship with the vendors has blanketed that risk so far.
- As the company imports more than 70% of its raw materials, its lead time to procure raw materials for any model is over three months. Assembling and logistics takes another few weeks thereby limiting its ability to deliver bulk orders at a short notice. The company is, however, taking steps to rationalise raw material costs and improve the turnaround time for its bulk orders. The company plans to acquire moulds which will help it indigenise and produce new designs. It also plans to source non-critical components locally.



### **Management and corporate governance**

- Mr Sameer Gujar, managing director, who has around five years of experience in the wall clock industry, is involved in identifying growth opportunities both in the domestic as well as international market. He is supported by Mr Subhash Gujar, founder, having more than 15 years of experience in manufacturing, assembly and marketing in the clock industry. Prior to founding Opal in 1996, he was a distributor of Allwyn and Titan watches in Maharashtra.
- Innoventive Venture Ltd, Mr Chandu Chavan's<sup>1</sup> group company, holds a majority stake (51%) in Opal. Innoventive Venture has invested as investors and is not involved in day-to-day business operations.
- The second line of management is good commensurate with the current size of the company. However, it needs to be strengthened for the next phase of growth.
- Opal's board has recently been expanded to six directors including three non-executive independent directors. The board is chaired by Mr Sameer Gujar, managing director. The board size is small, though fairly experienced, and majority of its members are on the board of Innoventive Venture and Innoventive Industries Ltd. With the induction of new independent directors, the company now meets the statutory requirement of board composition for a public listing.
- Opal has delayed income tax payment during FY09-FY12; it has not paid the advance taxes. It has paid ₹2.0 mn as interest for late payment of tax over FY09-12.
- Opal does not maintain monthly/ periodical MIS that captures the key operating metrics, profitability and key balance sheet numbers, which could make it difficult to monitor operations centrally with increasing scale.

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<sup>1</sup> Mr Chandu Chavan is the promoter of Innoventive Industries Ltd



### Financials

- Opal's net revenues grew to ₹172 mn in FY12 at a two-year CAGR of 26% (~32% y-o-y growth in H1FY13), primarily driven by higher volumes and expansion of the distribution network.
- EBITDA margin improved from 22.4% in FY10 to 27.2% in FY12 because of lower raw material and marketing expenses. Raw material costs as a percentage of sales declined because of lower imports coupled with increase in realisation rates of brand Opal.
- Net profit margin improved 330 bps from 13.5% in FY10 to 16.8% in FY12 because of income tax benefits available in Roorkee, where the manufacturing unit is located. Net income increased at a two-year CAGR of 41% from ₹14.5 mn in FY10 to ₹28.9 mn in FY12.
- The company has faced funds constraints and has had to reduce its advertisement and promotional spending to support its working capital requirement. We believe Opal needs to increase its advertisement and promotional spending to increase the visibility of its brands and push its product sales against competition.
- The salary paid to the KMP is on the lower side compared to their position / experience. Also, Mr Subhash Gujar, who supports Mr Sameer Gujar, does not draw a salary. The current salary structure may not be representative of future costs and could increase substantially after the fund raising.
- Working capital cycle is high at ~200 days because of import dependency which requires keeping inventory of three months. Currently, debtors are on a higher side.

**Note:** All figures have been reclassified as per CRISIL standards

**Source:** CRISIL Research

## Financial summary

### Income statement

(₹ mn)	FY09	FY10	FY11	FY12	H1FY13
<b>Operating income</b>	<b>60</b>	<b>108</b>	<b>166</b>	<b>172</b>	<b>96</b>
<b>EBITDA</b>	<b>11</b>	<b>24</b>	<b>34</b>	<b>47</b>	<b>22</b>
<b>EBITDA margin</b>	<b>18.3%</b>	<b>22.4%</b>	<b>20.6%</b>	<b>27.2%</b>	<b>22.7%</b>
Depreciation	0	1	1	1	1
<b>EBIT</b>	<b>11</b>	<b>24</b>	<b>33</b>	<b>45</b>	<b>21</b>
Interest	2	6	12	15	7
<b>Operating PBT</b>	<b>9</b>	<b>18</b>	<b>22</b>	<b>30</b>	<b>14</b>
Other income	1	1	1	(1)	0
Exceptional inc/(exp)	0	-	-	0	0
<b>PBT</b>	<b>9</b>	<b>19</b>	<b>23</b>	<b>29</b>	<b>14</b>
Tax provision	3	4	0	0	(0)
Minority interest	-	-	-	-	-
<b>PAT (Reported)</b>	<b>6</b>	<b>15</b>	<b>22</b>	<b>29</b>	<b>14</b>
Less: Exceptionals	0	-	-	0	0
<b>Adjusted PAT</b>	<b>6</b>	<b>15</b>	<b>22</b>	<b>29</b>	<b>14</b>

### Ratios

	FY09	FY10	FY11	FY12	H1FY13
<b>Growth</b>					
Operating income (%)	55.2	81.1	53.8	3.8	32.3
EBITDA (%)	52.8	121.7	41.7	36.7	25.9
Adj PAT (%)	108.3	133.0	53.6	29.3	27.7
Adj EPS (%)	(79.2)	133.0	(71.8)	(67.7)	(67.7)

### Profitability

EBITDA margin (%)	18.3	22.4	20.6	27.2	22.7
Adj PAT Margin (%)	10.5	13.5	13.5	16.8	14.8
RoE (%)	21.3	36.5	37.6	30.4	25.1
RoCE (%)	17.0	24.7	24.2	24.0	22.0
RoIC (%)	14.0	22.3	26.2	23.9	22.7

### B/S ratios

Inventory days	339	189	161	199	186
Creditors days	71	95	58	50	43
Debtor days	106	173	150	161	123
Working capital days	145	146	163	224	219
Gross asset turnover (x)	11.9	14.0	15.4	10.5	9.7
Net asset turnover (x)	12.6	15.4	17.8	12.5	11.9
Sales/operating assets (x)	9.3	15.4	17.8	11.3	4.0
Current ratio (x)	3.4	3.3	4.8	6.7	6.1
Debt-equity (x)	1.4	1.4	1.3	0.8	0.7
Net debt/equity (x)	1.4	1.3	1.2	0.8	0.6
Interest coverage	5.6	4.2	2.9	3.0	2.9

### Per share

	FY09	FY10	FY11	FY12	H1FY13
Adj EPS (₹)	62.4	145.4	41.0	13.3	6.5
Book value	325.9	471.3	131.6	54.4	60.8

### Balance Sheet

(₹ mn)	FY09	FY10	FY11	FY12	H1FY13
<b>Liabilities</b>					
Equity share capital	1	1	5	22	22
Reserves	32	46	66	97	111
Minorities	-	-	-	-	-
<b>Net worth</b>	<b>33</b>	<b>47</b>	<b>72</b>	<b>118</b>	<b>132</b>
Convertible debt	-	-	-	-	-
Other debt	45	66	90	99	87
<b>Total debt</b>	<b>45</b>	<b>66</b>	<b>90</b>	<b>99</b>	<b>87</b>
Deferred tax liability (net)	0	0	1	1	1
<b>Total liabilities</b>	<b>78</b>	<b>113</b>	<b>162</b>	<b>218</b>	<b>220</b>
<b>Assets</b>					
Net fixed assets	6	8	11	17	17
Capital WIP	-	-	-	3	11
<b>Total fixed assets</b>	<b>6</b>	<b>8</b>	<b>11</b>	<b>20</b>	<b>28</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Current assets</b>					
Inventory	21	26	40	48	53
Sundry debtors	17	51	68	76	67
Loans and advances	3	6	8	19	22
Cash & bank balance	1	2	4	10	6
Marketable securities	-	-	-	-	-
<b>Total current assets</b>	<b>42</b>	<b>86</b>	<b>120</b>	<b>153</b>	<b>148</b>
<b>Total current liabilities</b>	<b>12</b>	<b>26</b>	<b>25</b>	<b>23</b>	<b>24</b>
<b>Net current assets</b>	<b>30</b>	<b>60</b>	<b>95</b>	<b>130</b>	<b>124</b>
<b>Intangibles/Misc. expenditure</b>	<b>42</b>	<b>46</b>	<b>56</b>	<b>68</b>	<b>68</b>
<b>Total assets</b>	<b>78</b>	<b>113</b>	<b>162</b>	<b>218</b>	<b>220</b>

### Cash flow

(₹ mn)	FY09	FY10	FY11	FY12	H1FY13
Pre-tax profit	9	19	23	29	14
Total tax paid	(3)	(4)	(0)	(0)	(0)
Depreciation	0	1	1	1	1
Working capital changes	(11)	(28)	(34)	(29)	2
<b>Net cash from operations</b>	<b>(4)</b>	<b>(13)</b>	<b>(10)</b>	<b>1</b>	<b>17</b>
<b>Cash from investments</b>					
Capital expenditure	(19)	(6)	(14)	(22)	(10)
Investments and others	-	-	-	(0)	0
<b>Net cash from investments</b>	<b>(19)</b>	<b>(6)</b>	<b>(14)</b>	<b>(23)</b>	<b>(10)</b>
<b>Cash from financing</b>					
Equity raised/(repaid)	10	-	4	28	-
Debt raised/(repaid)	24	20	24	9	(11)
Dividend (incl. tax)	-	-	-	-	-
Others (incl extraordinary)	(10)	(0)	(2)	(10)	(0)
<b>Net cash from financing</b>	<b>24</b>	<b>20</b>	<b>26</b>	<b>27</b>	<b>(11)</b>
Change in cash position	1	1	2	5	(4)
Closing cash	1	2	4	10	6

## IPO Details

The proposed IPO is in the form of fresh issue of shares up to ₹150 mn. Opal plans to use the maximum amount for investments in moulds, indigenisation of designs (~₹103 mn) and brand-building activities (₹39 mn); the remaining will be used for general corporate purposes and to meet issue expenses (not available at the time of grading).

### Pre-IPO shareholding pattern

Name	No. of shares	Percentage (%)
Promoter shareholding (A)	21,77,000	100
Gujar's group	848,930	39
Institutional (B)	0	0
Non-institution (C)	1,328,070	61
Total (A+B+C)	21,77,000	100

Source: DRHP

### Issue details

Type of issue	Fresh issue
Issue size	₹150 mn
Face value	₹10
Price band	Not available at the time of grading
Lead managers	IDBI Capital Market Services Ltd
Legal advisors to the issue	M/s. Crawford Bayley & Co
Registrar to the issue	Karvy Computershare Pvt. Ltd

Source: DRHP

### Objects of issue

Particulars	Total fund requirement (₹ mn)	Amount deployed till July 2012 (₹ mn)	Estimated amount to be utilised from net proceeds (₹ mn)
Investment in moulds, tools and equipment, and indigenisation of designs	103	-	103
Enhancement of the company's brand through advertising and other brand-building activities	39	-	39
General corporate purposes <sup>#</sup>	-	-	-
Issue expenses <sup>#</sup>	-	-	-
<b>Total<sup>*</sup></b>	<b>142</b>	<b>-</b>	<b>142</b>

\* Total does not include expense for general corporate purpose and issue related expenses; <sup>#</sup>not yet available

Source: DRHP



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## Our Capabilities

### Making Markets Function Better

#### Economy and Industry Research

- Largest team of economy and industry research analysts in India
- Coverage on 70 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks
- 90 per cent of India's commercial banks use our industry research for credit decisions
- Special coverage on key growth sectors including real estate, infrastructure, logistics, and financial services
- Inputs to India's leading corporates in market sizing, demand forecasting, and project feasibility
- Published the first India-focused report on Ultra High Net-worth Individuals
- All opinions and forecasts reviewed by a highly qualified panel with over 200 years of cumulative experience

#### Funds and Fixed Income Research

- Largest and most comprehensive database on India's debt market, covering more than 14,000 securities
- Largest provider of fixed income valuations in India
- Value more than Rs.33 trillion (USD 650 billion) of Indian debt securities, comprising 85 per cent of outstanding securities
- Sole provider of fixed income and hybrid indices to mutual funds and insurance companies; we maintain 12 standard indices and over 80 customised indices
- Ranking of Indian mutual fund schemes covering 71 per cent of average assets under management and Rs 4.7 trillion (USD 94 billion) by value
- Retained by India's Employees' Provident Fund Organisation, the world's largest retirement scheme covering over 50 million individuals, for selecting fund managers and monitoring their performance

#### Equity and Company Research

- Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 100 companies
- Released company reports on all 1,401 companies listed and traded on the National Stock Exchange; a global first for any stock exchange
- First research house to release exchange-commissioned equity research reports in India
- Assigned the first IPO grade in India

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