***Draft Letter of Offer***
*Dated: August 11, 2020*
*For Eligible Shareholders only*

# RUSHIL DÉCOR LIMITED

Rushil Décor Limited ("**Company**" or "**Issuer**") was originally incorporated as *'Rushil Décor Private Limited'* on May 24, 1993 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli ("**RoC**"). Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated November 19, 2007 our Company was converted into a public limited company and subsequently, the name of our Company was changed to *'Rushil Décor Limited*' and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For details of change in the name of our Company and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 135 of this Draft Letter of Offer.

**Registered Office:** S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, Kalol, Village Itla, Gandhinagar – 382 845, Gujarat, India.
**Tel:** +91 98 2543 8039
**Corporate Office *(Address where books of account and papers are maintained)***: Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad-380 058, Gujarat, India, **Tel:** +91 79 6140 0400
**Contact Person:** Hasmukh Kanubhai Modi, Company Secretary and Compliance Officer, **E-mail:** ipo@rushil.com; **Website:** www.rushil.com;
**Corporate Identification Number:** L25209GJ1993PLC019532

**OUR PROMOTERS- GHANSHYAMBHAI AMBALAL THAKKAR, KRUPESH GHANSHYAMBHAI THAKKAR, KRUPA KRUPESH THAKKAR, M/S. RUSHIL INTERNATIONAL AND KRUPESH GHANSHYAMBHAI THAKKAR HUF**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF RUSHIL DÉCOR LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY**

**ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 2,490 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●](THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 234 OF THIS DRAFT LETTER OF OFFER.**

## PAYEMNT METHOD*

| Amount Payable per Rights Equity Share i.e. Issue Price | Face value (₹) | Premium (₹) | Total |
|---|---|---|---|
| **On Application** | [●] | [●] | [●] |
| **On First Call** | [●] | [●] | [●] |
| **On Second Call** | [●] | [●] | [●] |
| **On Third and Final Call** | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] |

*For details on the payment method, please refer to the chapter titled "*Terms of the Issue*" on page 234 of this Draft Letter of Offer.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares 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 contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 28 of this Draft Letter of Offer.

## OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [●] and [●], respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.

## LEAD MANAGER TO THE ISSUE

**SAFFRON CAPITAL ADVISORS PRIVATE LIMITED**
605, Center Point, 6th floor,
Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.
**Telephone:** +91 22 4082 0914/915
**Facsimile:** +91 22 4082 0999
**E-mail:** rights.issue@saffronadvisor.com
**Website:** www.saffronadvisor.com
**Investor grievance:** investorgrievance@saffronadvisor.com
**Contact Person:** Amit Wagle / Gaurav Khandelwal
**SEBI Registration Number:** INM 000011211
**Validity of Registration:** Permanent

## REGISTRAR TO THE ISSUE

**BIGSHARE SERVICES PRIVATE LIMITED**
1st floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),
Mumbai- 400 059, Maharashtra, India.
**Telephone:** +91 22 6263 8200
**Facsimile:** +91 22 6263 8299
**E-mail:** rightsissue@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact person:** Arvind Tandel
**Investor grievance:** investor@bigshareonline.com
**SEBI Registration No:** INR000001385
**Validity of Registration:** Permanent

## ISSUE PROGRAMME

| ISSUE OPENS ON | LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS | ISSUE CLOSES ON |
|---|---|---|
| [●] | [●] | [●] |

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.*

*Provided that terms used in the sections/ chapters titled "History and Certain Corporate Matters", "Industry Overview", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Special Tax Benefits", "Basis for Issue Price", "Outstanding Litigation and Material Developments" "Key Regulations and Policies", "Issue Related Information" and "Provisions of the Articles of Association" on pages 135, on page 100, 18, 171, 97, 94, 200, 124, on page 234and 268 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

**Company Related Terms**

| Term | Description |
|---|---|
| "Company", "our Company", "the Company", "the Issuer" | Rushil Décor Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, village Itla, Tal. Kalol, Gandhinagar – 382845 Gujarat, India. |
| "we", "us", or "our" | Unless the context otherwise indicates or implies, refers to our Company. |
| "Articles" / "Articles of Association" / "AoA" | Articles / Articles of Association of our Company, as amended from time to time. |
| "Annual Audited Financial Statements | The audited financial statements of our Company prepared under Ind AS for Fiscal 2020, 2019 and 2018, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| "Audit Committee" | The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013. For details, see "*Our Management*" on page 139 of this Draft Letter of Offer. |
| "Auditor" / "Statutory Auditor"/ "Peer Review Auditor" | Statutory and peer review auditor of our Company, namely, M/s. Parikh & Majmudar, Chartered Accountants. |
| "Board" / "Board of Directors" | Board of directors of our Company or a duly constituted committee thereof. |
| "Chief Financial Officer / CFO" | Vipulkumar Shantilal Vora, the Chief Financial Officer of our Company. |
| "Chief Executive Officer/ CEO" | Keyur Mohanbhai Gajjar, the Chief Executive Officer of our Company. |
| "Corporate Office" | Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Ahmedabad-380058, Gujarat, India. |
| "Corporate Promoters" | Krupesh Ghanshyambhai Thakkar (HUF) and Rushil International |
| "Company Secretary and Compliance Officer" | Hasmukh Kanubhai Modi, the Company Secretary and the Compliance Officer of our Company. |
| "Corporate Social Responsibility Committee/ CSR Committee" | The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see "*Our Management*" 139 of this Draft Letter of Offer. |
| "Director(s)" | The director(s) on the Board of our Company, unless otherwise specified. |

| Term | Description |
|---|---|
| "Equity Shareholder" | A holder of Equity Shares |
| "Equity Shares" | Equity shares of our Company of face value of ₹ 10 each. |
| "Executive Directors" | Executive directors of our Company. |
| "Group Companies" | Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board. For details, see "*Our Group Companies*" on page 162 of this Draft Letter of Offer. |
| "Independent Director(s)" | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013. |
| "Key Management Personnel" / "KMP" | Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled "*Our Management – Key Managerial Personnel*" on page 153 of this Draft Letter of Offer. |
| Materiality Policy | A policy adopted by our Company, in the Board meeting held on July 30, 2020 for identification of group companies, material creditors and material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer. |
| "Memorandum of Association" / "MoA" | Memorandum of association of our Company, as amended from time to time. |
| "Nomination and Remuneration Committee" | The committee of the Board of directors reconstituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see "*Our Management*" on page 139 of this Draft Letter of Offer. |
| "Non-executive Directors" | Non-executive Directors of our Company. |
| "Non-Executive and Independent Director" | Non-executive and independent directors of our Company, unless otherwise specified |
| "Promoter(s)" | The promoters of our Company, namely, Ghanshyambhai Ambalal Thakkar, Krupesh Ghanshyambhai Thakkar, Krupesh Ghanshyambhai Thakkar (HUF), Krupa Krupesh Thakkar and Rushil International. For further details, see "*Our Promoters and Promoter Group*" on page 155 of this Draft Letter of Offer. |
| "Promoter Group" | Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations. |
| "Registered Office" | The registered office of our Company located at S. No. 125, Near Kalyanpura Patia, Gandhinagar Mansa Road, village Itla, Tal. Kalol, Gandhinagar – 382845 Gujarat, India. |
| "Registrar of Companies"/ "RoC" | Registrar of Companies, Gujarat at Ahmedabad situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India. |
| Restated Financial Statements/ Restated Financial Information | Restated financial statements of our Company for the Fiscals 2020, 2019 and 2018 prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see "*Financial Statements*" 171. |
| "Rights Issue Committee" | The committee of our Board constituted for purposes of the Issue and incidental matters thereof. For details, see "*Our Management*" on page 139 of this Draft Letter of Offer. |
| "Shareholders/ Equity Shareholders" | The Equity Shareholders of our Company, from time to time. |
| "Stakeholders' Relationship Committee" | The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see "*Our Management*" on page 139 of this Draft Letter of Offer. |

**Issue Related Terms**

| Term | Description |
|---|---|
| 2009 ASBA Circular | The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 |
| 2011 ASBA Circular | The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 |

| Term | Description |
|---|---|
| Abridged Letter of Offer | Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act. |
| Allot/Allotment/Allotted | Allotment of Rights Equity Shares pursuant to the Issue. |
| Allotment Account | The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act. |
| Allotment Advice | Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue. |
| Allotment Date | Date on which the Allotment is made pursuant to the Issue. |
| Allottee(s) | Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment. |
| Applicant(s) / Investor(s) | Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor. |
| Application | Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on B-WAP, to subscribe to the Rights Equity Shares at the Issue Price. |
| Application Form | Unless the context otherwise requires, an application form (including online application form available for submission of application at B-WAP facility or though the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue. |
| Application Money | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price. |
| Application Supported by Blocked Amount/ASBA | Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account |
| ASBA Account | Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be. |
| ASBA Applicant / ASBA Investor | In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, only Investors who fulfill all of the following criteria are permitted to apply in the Issue through the ASBA process:<br><br>(i) hold the Equity Shares in dematerialized form as on the Record Date and have applied towards their Rights Entitlement or additional Rights Equity Shares in the Issue in dematerialized form;<br>(ii) have not renounced their Rights Entitlement in full or in part;<br>(iii) are not Renouncees; and<br>(iv) are applying through blocking of funds in a bank account maintained with SCSBs<br><br>All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other investors whose application value exceeds ₹ 200,000 can participate in the Issue only through an ASBA process. |
| ASBA Bid | A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. |
| B-WAP | In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), instituted for making an Application in this Issue by resident original shareholder. Further, B-WAP is only an additional option and not a replacement of the ASBA process. |
| Banker(s) to the Issue | Collectively, the Escrow Collection Bank and the Refund Banks to the Issue. |

| Term | Description |
|---|---|
| Bankers to the Issue Agreement | Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "*Terms of the Issue*" on page 234. |
| Call(s) | Call notice(s) sent by the Company to each of the holders of the Rights Equity Shares as on the Call Record Date, for making a payment of Call Money |
| Call Money | Aggregate amount payable in respect of the Rights Equity Shares at the time of the Call(s), being:<br>• ₹ [●] per Equity Share, i.e. [●]% of the Issue Price in respect of First Call,<br>• ₹[●] per Equity Share, i.e. [●]% of the Issue Price in respect of Second Call, and<br>• ₹[●] per Equity Share, i.e. [●]% of the Issue Price in respect of Third and Final Call. |
| Call Record Date | The date fixed by the Company for the purpose of determining the names of the holders of partly paid-up Rights Equity Shares for the purpose of issuing the Call(s) |
| Consolidated Certificate | The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form. |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of SCSBs which coordinate Bids under the Issue with the LM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in. |
| Demographic Details | Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | BSE Limited |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996. |
| Draft Letter of Offer/DLoF/DLOF | This draft letter of offer dated August 11, 2020 filed with Stock Exchanges, in accordance with the SEBI ICDR Regulations, for their observations. Vide SEBI Circular April 21, 2020 bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020, our Company has been exempted from fling this Draft Letter of Offer with SEBI. |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]. |
| Eligible Equity Shareholders | Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 11. |
| First Call | [●] |
| Issue / Rights Issue | Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 2,490 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. |
| Issue Agreement | Issue agreement dated August 11, 2020 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | [●] |
| Issue Opening Date | [●] |

| Term | Description |
|---|---|
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations. |
| Issue Price | ₹ [●] per Rights Equity Share. |
| Issue Proceeds | Gross proceeds of the Issue. |
| Issue Size | Amount aggregating up to ₹ 2,490 lakhs |
| Lead Manager | Saffron Capital Advisors Private Limited |
| Letter of Offer/LOF | The final letter of offer to be filed with the Stock Exchanges and SEBI. |
| Net Proceeds | Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 90 of this Draft Letter of Offer. |
| Non-ASBA Investor/ Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees. |
| Non-Institutional Bidders or NIIs | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations. |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws. |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], [●]. |
| Original Shareholders | Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. [●] The Shareholders who receive the renounced Equity Shares offered in this Issue shall not be considered as Original Shareholders and shall not be eligible to apply through B-WAP. B-WAP is available only for the Original Resident Shareholders. |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Record Date | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●]. |
| Refund Bank(s) | The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]. |
| "Registrar to the Issue" / "Registrar" | Bigshare Services Private Limited. |
| Registrar Agreement | Agreement dated August 11, 2020 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Renouncee(s) | Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●],[●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date. |
| Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s) | An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations. |
| Rights Entitlement | The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●]. |

| Term | Description |
|---|---|
| | The Rights Entitlements with a separate ISIN: INE573K01017 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date. |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the B-WAP facility and link for the same will be available on the website of our Company. |
| Rights Equity Shares | Equity Shares of our Company to be Allotted pursuant to this Issue. |
| SEBI Rights Issue Circulars | Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. |
| Second Call | [●] |
| Self-Certified Syndicate Banks" or "SCSBs | The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time |
| Stock Exchanges | Stock exchanges where the Equity Shares are presently listed, being BSE and NSE. |
| Third Call | [●] |
| Third and Final Call Notice | [●] |
| Transfer Date | The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange. |
| Wilful Defaulter | A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Day | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges. "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

**Business and Industry related Terms or Abbreviations**

| Term | Description |
|---|---|
| Bn. | Billion |
| CAD | current account deficit |
| CAGR | Compound annual growth rate |
| CBM | Curriculum-Based Measurement |
| COVID-19 | Coronavirus Disease 2019 |
| CPI | Consumer Price Index |
| EMDEs | Emerging Market and Developing Economies |

| Term | Description |
|---|---|
| G-20 | Group of 20 |
| GDP | Gross Domestic Product |
| GST | Goods and services tax |
| GVA | Gross Value Added |
| HDHMR | High Density High Moisture Resistance |
| HPL | high-pressure laminates |
| IIP | Index of industrial portfolio |
| IMF | International Monetary Fund |
| LEED | Leadership in Energy and Environment Design |
| LPL | low pressure Laminates |
| MDF | Medium Density Fiber board |
| Mn. | Million |
| NABARD | National Bank for Agriculture and Rural Development |
| NHB | National Housing Bank |
| NIFTY | National stock exchange FIFTY |
| OPEC | Organization of Petroleum Exporting Countries |
| PA | Provisional Actual |
| PPP | Purchasing Power Parity |
| PVC | Poly Vinyl Chloride |
| RBI | Reserve Bank of India |
| RERA | Real Estate Regulatory Act |
| RTA | Ready to assemble |
| SENSEX | Sensitive Index |
| SIDBI | Small industrial Development Bank of India |
| USA/US | United States of America |
| USD | US Dollar |
| WEO | World Economic Outlook |
| WPI | Wholesale price index |
| YoY | Year-on-year |

**Conventional and General Terms or Abbreviations**

| Term | Description |
|---|---|
| A/c | Account |
| AGM | Annual general meeting |
| AIF | Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate. |
| CDSL | Central Depository Services (India) Limited. |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act, 2013 / Companies Act | Companies Act, 2013 along with rules made thereunder. |
| Companies Act 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| CSR | Corporate Social Responsibility |
| Depository(ies) | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director Identification Number |
| DP ID | Depository Participant's Identification Number |

| Term | Description |
|---|---|
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortisation |
| EGM | Extraordinary general meeting |
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| Financial Year/Fiscal | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP | Gross Domestic Product |
| GoI / Government | The Government of India |
| GST | Goods and services tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act / IT Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016 |
| INR or ₹ or Rs. Or Indian Rupees | Indian Rupee, the official currency of the Republic of India. |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| MCA | The Ministry of Corporate Affairs, GoI |
| Mn / mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| N.A. or NA | Not Applicable |
| NAV | Net Asset Value |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect. |
| 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 beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| p.a. | Per annum |

| Term | Description |
|---|---|
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the Securities Act |
| SCRA | Securities Contract (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| Securities Act | The United States Securities Act of 1933. |
| STT | Securities Transaction Tax |
| State Government | The government of a state in India |
| Trademarks Act | Trademarks Act, 1999 |
| TDS | Tax deducted at source |
| US$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| USA/ U.S./ US | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| w.e.f. | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve month period ending December 31 |

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled "*Terms of the Issue*" and on the website of the Registrar to the Issue at www.bigshareonline.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer. Envelopes containing an Application Form and Rights Entitlement Letter should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letternor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer Rights of Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

**NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Lettershould not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Lettershould not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. .

Rights Entitlements may not be transferred or sold to any person in the United States.

## PRESENTATION OF FINANCIAL INFORMATION

### Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see "*Financial Information*" on page 171. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Restated Financial Information included in this Draft Letter of Offer as at and for the Fiscals 2020, 2019 and 2018 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "*Financial Information*" on page 171.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

**Currency and Units of Presentation**

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and
- "Euro" or "€" are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

**Exchange Rates**

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on | | |
|---|---|---|---|
| | **March 31, 2020** | **March 31, 2019*** | **March 31, 2018**** |
| 1 USD | 75.38 | 69.17 | 65.04 |
| 1 Euro | 83.04 | 77.70 | 80.62 |

*(Source: RBI reference rate)*

**Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.*
***Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.*
*(Source: www.rbi.org.in and www.fbil.org.in)*

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 28, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page 94of this Draft Letter of Offer includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM has independently verified such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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 industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally 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 laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect the operations of our manufacturing units;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to maintain and enhance our brand image;
- Our ability to successfully execute our expansion strategy in a timely manner or at all;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;

- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, promoter group and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 28, 111 and 172, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the LM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

## SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 28, 61, 75, 90, 111, 100, 200 and 234 respectively.

### 1. Summary of Industry

The increasing focus of the government for low cost housing and infrastructure development, coupled with the growth in the construction and furniture industry in the country has benefitted in the expansion of the Indian plywood and laminates market. Additionally, increasing demand for plywood and laminates in various end user industries, such as furniture industry, etc. coupled with the rapid urbanization are some of the factors for the growth of the industry. Further, the Indian plywood and laminates market, is expected to grow at the highest CAGR of 4.83% over the forecast period 2019-2027.

For further details, please refer to the chapter titled "*Industry Overview*" at page 100 of this Draft Letter of Offer.

### 2. Summary of Business

Our Company is engaged into manufacturing of Laminates, MDF and PVC in its manufacturing facilities located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat having aggregate Laminate capacity of 34.9 lakh sheets per annum. Our Company also manufactures standard thick MDF Boards and Pre Lam MDF Boards at its plant located at Chikmagalur, Karnataka.

For further details, please refer to the chapter titled "*Our Business*" at page 111of this Draft Letter of Offer.

### 3. Our Promoters

The Promoters of our Company are:

a) Ghanshyambhai Ambalal Thakkar
b) Krupesh Ghanshyambhai Thakkar
c) Rushil International
d) Krupesh Ghanshyambhai Thakkar HUF
e) Krupa Krupesh Thakkar

For further details please see chapter titled "*Our Promoters and Promoter Group*" beginning on page 155 of this Draft Letter of Offer.

### 4. Issue

The issue of up to [●] Equity Shares aggregating to an amount upto ₹ 2,490 lakhs. For further details, please see chapter titled "*The Issue*" beginning on page 61of this Draft Letter of Offer.

### 5. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

*(₹ in lakhs)*

| Particulars | Amount |
|---|---|
| Part repayment or prepayment of unsecured loans brought in by the Promoters and Promoter Group | 1,775.00 |
| General corporate purposes | [●]* |
| Issue related expenses | [●]* |
| **Gross proceeds from the Issue** | **2,490.00** |

**To be finalized on filing of the Letter of Offer.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 90 of this Draft Letter of Offer.

## 6. Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters and Promoter Group:

| Sr. No. | Name of the Shareholders | Pre-Issue | |
|---|---|---|---|
| | | Number of Equity Shares | % of total shareholding |
| | ***Promoters*** | | |
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Krupesh Ghanshyambhai Thakkar | 19,85,925 | 13.30 |
| 3. | Rushil International | 18,45,770 | 12.36 |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 |
| 5. | Krupa Krupesh Thakkar | 2,82,415 | 1.89 |
| | ***Promoter Group*** | | |
| 6. | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 |
| 7. | Rushil Thakkar | 2,08,524 | 1.40 |
| | **Total** | **79,49,743** | **53.24** |

For further details, please see chapter titled "*Capital Structure*" on page 75of this Draft Letter of Offer.

## 7. Intention and extent of participation by our Promoters and Promoter Group

SEBI vide its circular dated April 21, 2020 bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 has relaxed the requirement of minimum subscription and has reduced the threshold of subscription from 90% to 75% of the Issue. Further, as per the said circular if the Issue is subscribed between 75% to 90%, Issue will be considered successful subject to the condition that out of the funds raised at least 75% of the Issue size shall be utilized for the objects of the Issue other than general corporate purpose. The relaxation is subject to the condition that this Issue opens before March 31, 2021.

In view of the above, the Promoters and the members forming part of the Promoter Group of the Company, may subscribe to the their Rights Entitlement in the Rights Issue and may apply for Additional Rights Equity Shares, in addition to their Rights Entitlement so as to ensure subscription to the extent of at least 75% of the Issue is achieved, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company. Such acquisition by our Promoters and Promoter Group shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations.

## 8. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2020, 2019 and 2018:

*(₹ in lakhs)*

| S. No. | Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| 1. | Authorised Share Capital | 2,000.00 | 2,000.00, | 2,000.00 |
| 2. | Paid-up Capital | 1,493.13 | 1,493.13 | 1,471.75 |
| 3. | Net Worth attributable to Equity Shareholders | 20,955.04 | 18,707.18 | 15,364.74 |
| 4. | Total Revenue | 33,913.39 | 35,223.23 | 35,368.25 |
| 5. | Profit after tax | 2,304.97 | 1,433.50 | 3,092.41 |
| 6. | Earnings per Share (basic & diluted) (in ₹) | 15.44 | 9.61 | 21.27 |
| 7. | Net Asset Value per Equity Share (in ₹) | 140.34 | 125.29 | 104.40 |
| 8. | Total Borrowings | 40,523.58 | 24,397.30 | 10,102.41 |

For further details, please refer the section titled "*Financial Information*" on page 171of this Draft Letter of Offer.

## 9. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information does not contain any qualification requiring adjustments by the Auditors.

**10. Summary of Outstanding Litigation**

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies is provided below:

**a) Litigations involving our Company**

i) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | 01 | Not quantifiable |
| Indirect Tax matters | 03 | 112.87 |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

ii) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 11 | 132.61 |
| Direct Tax matters | 01 | Nil |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

**b) Litigations against our Promoters**

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01# | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*
*#The criminal matter has been filed against our Promoter Krupesh Ghanshyambhai Thakkar.*

**c) Litigations against our Directors**

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01# | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*
*#The criminal matter has been filed against our Director Krupesh Ghanshyambhai Thakkar.*

**d) Litigations involving our Group Companies**

*i) Cases filed against Shri Krupa Decorative Veneer Private Limited:*

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01 | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

*ii) Cases filed by Shri Krupa Decorative Veneer Private Limited:*

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01 | 6.70 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

## 11. Risk Factors

Please see the chapter titled "*Risk Factors*" beginning on page 28 of this Draft Letter of Offer.

## 12. Summary of Contingent Liabilities

Following are the details as per the Restated Financial Information as at and for the Financial Year ended on March 31, 2020, 2019 and 2018:

*(₹ in lakhs)*

| S. No. | Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|---|
| 1. | Disputed Income Tax Demand Matter Under Appeal | - | 2.63 | 10.64 |
| 2. | Disputed Excise Demand Matter Under Appeal | 85.32 | 83.96 | 83.96 |
| 3. | Disputed Custom Duty Matter Under Appeal | 27.55 | 27.55 | 27.55 |
| 4. | Disputed VAT Liability matter under Appeal | - | - | 16.89 |

*Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.*

*Note:*
*(a) It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.*

*(b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.*

**Outstanding Letters of Credit**

*(₹ in lakhs)*

| Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Outstanding Letters of Credit | - | - | 269.58 |

**Outstanding Bank Guarantee**

*(₹ in lakhs)*

| Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Outstanding Bank Guarantee | 688.01 | 411.63 | 262.12 |

For further details, please see the chapters titled "*Restated Financial Information- Annexure –V- Notes to Restated Financial Statements- Note 37- Capital Commitments and Contingent Liabilities*" at page F-38 of the Restated Financial Information in this Draft Letter of Offer.

### 13. Summary of Related Party Transactions

*(Amount in ₹)*

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Year -->** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | **2018-19** | **2017-18** |
| **Volume of Transactions** | | | | | | | | | |
| **1) Sales of Goods** | | | | | | | | | |
| Surya Panel Private Limited | 3,49,96,230 | 4,54,99,557 | 2,75,29,568 | - | - | - | - | - | - |
| **2) Jobwork Charges Paid** | | | | | | | | | |
| Surya Panel Private Limited | 5,56,13,791 | 1,94,90,456 | 41,78,368 | - | - | - | - | - | - |
| **3)Goods Purchased** | | | | | | | | | |
| Rushil International | 18,59,197 | 1,38,86,135 | - | - | - | - | - | - | - |
| Surya Panel Private Limited | 39,08,091 | 52,29,087 | 11,50,318 | - | - | - | - | - | - |
| **4) Director Sitting Fees** | | | | | | | | | |
| Rohit B Thakkar | - | - | - | 20,000 | - | - | - | - | - |
| Shankar Prasad Bhagat | - | - | - | 20,000 | - | - | - | - | - |
| Jingle Piyush Thakkar | - | - | - | 15,000 | - | - | - | - | - |
| Archee D. Thakkar | - | - | - | 5,000 | - | - | - | - | - |
| **5) Finance Charges** | | | | | | | | | |
| Rushil International | - | 21,47,600 | - | - | - | 3,54,000 | - | - | - |
| **6) Loan Taken/Granted** | | | | | | | | | |
| **(A) Loan Taken** | | | | | | | | | |
| i) Ghanshyambhai Thakkar-HUF | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | 58,31,749 | 2,47,377 |
| Loan repaid | - | - | - | - | - | - | 25,909 | 60,30,334 | 7,01,534 |
| Balance at 31stMarch | - | - | - | - | - | - | - | 25,909 | 2,24,494 |
| Balance at 1st April | - | - | - | - | - | - | 25,909 | 2,24,494 | 6,78,651 |
| ii) Ambalal D. Thakkar-HUF | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 6,143 | 1,57,647 | 57,762 |
| Loan repaid | - | - | - | - | - | - | - | 2,00,000 | 28,00,000 |
| Balance at 31stMarch | - | - | - | - | - | - | 68,017 | 61,874 | 1,04,227 |
| Balance at 1st April | - | - | - | - | - | - | 61,874 | 1,04,227 | 28,46,465 |
| iii) Krupeshbhai | | | | | | | | | |

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | |
|---|---|---|---|---|---|---|---|---|---|
| G. Thakkar-HUF | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 7,85,820 | 18,24,376 | 12,86,140 |
| Loan repaid | - | - | - | - | - | - | - | 21,10,000 | 24,14,500 |
| Balance at 31stMarch | - | - | - | - | - | - | 8,56,776 | 70,956 | 3,56,580 |
| Balance at 1st April | - | - | - | - | - | - | 70,956 | 3,56,580 | 14,84,940 |
| iv) Dinuben G. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 1,33,210 | 3,60,150 | 2,32,227 |
| Loan repaid | - | - | - | - | - | - | 40,865 | 4,04,961 | 17,49,642 |
| Balance at 31stMarch | - | - | - | - | - | - | 1,46,729 | 54,384 | 99,195 |
| Balance at 1st April | - | - | - | - | - | - | 54,384 | 99,195 | 16,16,610 |
| v) Krupaben K. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 78,25,635 | 3,78,523 | 5,19,763 |
| Loan repaid | - | - | - | - | - | - | 50,05,471 | 12,11,000 | 3,21,83,069 |
| Balance at 31stMarch | - | - | - | - | - | - | 29,40,471 | 1,20,307 | 9,52,784 |
| Balance at 1st April | - | - | - | - | - | - | 1,20,307 | 9,52,784 | 3,26,16,090 |
| vi) Rushil K. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 8,93,579 | 4,20,241 | 6,37,607 |
| Loan repaid | - | - | - | - | - | - | 1,59,561 | 5,32,262 | 8,61,650 |
| Balance at 31stMarch | - | - | - | - | - | - | 8,23,447 | 89,429 | 2,01,450 |
| Balance at 1st April | - | - | - | - | - | - | 89,429 | 2,01,450 | 4,25,493 |
| vii) Mr. Krupesh G. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | 5,44,51,925 | 1,64,92,568 | 5,65,83,130 | - | - | - |
| Loan repaid | - | - | - | 1,43,74,865 | 88,18,194 | 5,59,48,176 | - | - | - |
| Balance at 31stMarch | - | - | - | 4,94,25,839 | 93,48,779 | 16,74,405 | - | - | - |
| Balance at 1st April | - | - | - | 93,48,779 | 16,74,405 | 10,39,450 | - | - | - |
| viii) Mr. Ghanshyam A. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | 1,71,36,848 | 45,10,999 | 1,05,45,692 | - | - | - |
| Loan repaid | - | - | - | 34,37,471 | 55,62,034 | 90,90,666 | - | - | - |
| Balance at 31stMarch | - | - | - | 1,52,57,492 | 15,58,115 | 26,09,150 | - | - | - |
| Balance at 1st April | - | - | - | 15,58,115 | 26,09,150 | 11,54,124 | - | - | - |
| ix) Mr. Kaushik J Thakkkar | | | | | | | | | |
| Loan taken | - | - | - | - | 13,00,000 | 2,00,000 | - | - | - |
| Balance at 31stMarch | - | - | - | 16,00,000 | 16,00,000 | 3,00,000 | - | - | - |
| Balance at 1st April | - | - | - | 16,00,000 | 3,00,000 | 1,00,000 | - | - | - |
| x) Masumi K. Thakkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | 1,85,215 | 43,49,870 |
| Loan repaid | - | - | - | - | - | - | - | 47,37,617 | - |
| Balance at 31stMarch | - | - | - | - | - | - | - | - | 45,52,402 |
| Balance at 1st April | - | - | - | - | - | - | - | 45,52,402 | 2,02,532 |

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | |
|---|---|---|---|---|---|---|---|---|---|
| xi) Viresh Natvarlal Thakkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | - | - |
| Loan repaid | - | - | - | - | - | - | - | - | - |
| Balance at 31stMarch | - | - | - | - | - | - | 2,05,000 | 2,05,000 | 2,05,000 |
| Balance at 1st April | - | - | - | - | - | - | 2,05,000 | 2,05,000 | 2,05,000 |
| xii) Rushil International | | | | | | | | | |
| Loan taken | 7,47,94,337 | 94,45,20,795 | - | - | - | - | - | - | - |
| Loan repaid | 7,47,94,337 | 40,85,20,795 | - | - | - | - | - | - | - |
| Balance at 31stMarch | 53,60,00,000 | 53,60,00,000 | - | - | - | - | - | - | - |
| Balance at 1st April | 53,60,00,000 | - | - | - | - | - | - | - | - |
| xiii) Rushvi R. Thakkkar | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 8,49,649 | - | - |
| Loan repaid | - | - | - | - | - | - | 1,50,000 | - | - |
| Balance at 31stMarch | - | - | - | - | - | - | 6,99,649 | - | - |
| Balance at 1st April | - | - | - | - | - | - | - | - | - |
| **7) Managerial Remuneration** | | | | | | | | | |
| Mr. Ghanshyam A. Thakkar | - | - | - | 1,20,00,295 | 1,19,99,403 | 1,05,69,278 | - | - | - |
| Mr. Krupesh G. Thakkar | - | - | - | 1,20,00,698 | 1,19,99,806 | 1,05,58,679 | - | - | - |
| Mr. Kaushik J. Thakkar (Resigned dated 2nd February 2019) | - | - | - | - | 3,75,653 | 4,79,784 | - | - | - |
| Mr. Ramnik T. Kansagara | - | - | - | 23,06,395 | 20,15,693 | | - | - | - |
| **8) Dividend Paid** | | | | | | | | | |
| Mr. Ghanshyam A. Thakkar | - | - | - | 9,95,450 | 9,95,450 | 9,95,450 | - | - | - |
| Ghanshyambhai Thakkar HUF | - | - | - | - | - | - | - | 1,92,691 | 1,92,691 |
| Mr. Krupesh G. Thakkar | - | - | - | 9,67,181 | 7,71,242 | 7,71,242 | - | - | - |
| Krupeshbhai Thakkar HUF | - | - | - | - | - | - | 6,94,847 | 6,94,847 | 6,94,847 |
| Dinuben G. Thakkar | - | - | - | - | - | - | 1,23,258 | 1,23,258 | 1,23,258 |
| Krupaben K. Thakkar | - | - | - | - | - | - | 1,41,208 | 1,41,208 | 1,41,208 |
| Rushil K. Thakkar | - | - | - | - | - | - | 1,04,262 | 1,04,262 | 1,04,262 |
| Rushil International | 9,22,885 | 9,22,885 | 9,22,885 | - | - | - | - | - | - |
| Mrunal K. Gajjar | - | - | - | - | - | - | 2,000.0 | 2,000.0 | - |
| Hasmukh K. Modi | - | - | - | 0.5 | 0.5 | 0.5 | - | - | - |
| Rushvi R. Thakkar | - | - | - | - | - | - | - | 0.5 | - |
| **9) Interest Expenses** | | | | | | | | | |

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | |
|---|---|---|---|---|---|---|---|---|---|
| Ghanshyambhai Thakkar HUF | - | - | | - | - | - | - | 28,788 | 60,762 |
| Mr. Krupesh G. Thakkar | - | - | | 11,33,127 | 80,717 | 6,11,835 | - | - | |
| Krupeshbhai Thakkar HUF | - | - | | - | - | | 51,081 | 32,810 | 45,881 |
| Dinuben G. Thakkar | - | - | | - | - | | 9,708 | 13,213 | 54,410 |
| Ambalal D. Thakkar-HUF | - | - | | - | - | | 6,825 | 8,496 | 64,180 |
| Krupaben K. Thakkar | - | - | | - | - | | 52,899 | 63,684 | 4,20,617 |
| Rushil K. Thakkar | - | - | | - | - | | 37,403 | 17,755 | 65,939 |
| Mr. Ghanshyam A. Thakkar | - | - | | 7,43,567 | 45,364 | 1,83,024 | - | - | |
| Masumi K. Thakkar | - | - | | - | - | | - | 2,05,794 | 3,88,744 |
| Rushil International | 1,51,94,968 | 2,46,89,773 | | - | - | | - | - | - |
| **10) Salary to Relatives of Key Management Personal & Director** | | | | | | | | | |
| Krupaben K. Thakkar | - | - | | - | - | | 57,72,628 | 53,69,512 | 45,67,829 |
| Rushil K. Thakkar | - | - | | - | - | | 24,86,212 | 15,63,096 | 12,97,905 |
| Rushvi R. Thakkar | - | - | | - | - | | 14,12,855 | 9,25,725 | - |
| Harsh R. Patel | - | - | | - | - | | 5,08,867 | 4,68,274 | - |
| Masumi K. Thakkar | - | - | | - | - | | 43,487 | - | - |
| **11) Salary to Key Management Personal** | | | | | | | | | |
| Mr. Keyur M. Gajjar | - | - | | 65,88,048 | 57,59,099 | 50,49,658 | - | - | |
| Mr. Vipul S. Vora | - | - | | 44,63,960 | 39,65,758 | 33,26,728 | - | - | |
| Mr. Hashmukh K. Modi | - | - | | 20,48,419 | 17,89,799 | 15,48,151 | - | - | |
| **12) Lease Rent Expense** | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 1,20,000 | 1,20,000 | 1,20,000 | - | - | - | - | - | - |
| Mr. Krupesh G. Thakkar | - | - | - | 66,15,000 | 63,78,750 | 70,35,000 | - | - | - |
| Rushil K. Thakkar | - | - | - | 3,60,000 | - | - | - | - | - |
| **13) Lease Rent Deposit** | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | - | 70,00,000 | 32,00,000 | - | - | | - | - | |
| **14) Lease Rent Deposit Received Back** | | | | | | | | | |

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | |
|---|---|---|---|---|---|---|---|---|---|
| Ratnatej Infrastructure Private Limited | 39,68,688 | - | - | - | - | - | - | - | - |
| **15) Interest Income on Lease Rent Deposit** | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 7,58,149 | 3,20,658 | - | - | - | - | - | - | - |
| **16) Royalty paid** | | | | | | | | | |
| Vir Studdio Private Limited (OPC) | 1,00,000 | 1,00,000 | 46,667 | - | - | - | - | - | - |
| **17) Sale of Fixed Asset** | | | | | | | | | |
| Surya Panel Private Limited | 4,20,985 | - | - | - | - | - | - | - | - |
| **18) Freight/Demurrage Charges** | | | | | | | | | |
| Ghanshyam Forwarders Pvt Ltd | - | - | 6,90,000 | - | - | - | - | - | - |
| Surya Panel Private Limited | - | - | 41,78,368 | - | - | - | - | - | - |
| Note: The remuneration of directors and other members of Key Management Personal during the year is short term benefits. | | | | | | | | | |

For further details, please refer "*Restated Financial Information- Annexure V- Notes to Restated Financial Statements- Note 43- Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offer.

## 14. Financials Arrangements

There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Letter of Offer.

## 15. Weighted Average Price of the Equity Shares acquired by the Promoters in the last one year preceding the date of this Draft Letter of Offer

The details of the weighted average price of the Equity Shares acquired by the Promoters in the last one year preceding the date of this Draft Letter of Offer is as follows:

| Name of Promoters | No. of shares acquired in last one year from the date of this DLOF | Weighted Average Price (in ₹) |
|---|---|---|
| Krupesh Ghanshyambhai Thakkar | 58,059 | 144.83 |

## 16. Average Cost of Acquisition of Shares for Promoters

The average cost of acquisition of Shares for the Promoters are as follows:

| Name of Promoters | No. of shares held | Average Cost of Acquisition Price (in ₹) |
|---|---|---|
| Ghanshyambhai Ambalal Thakkar | 19,90,900 | 25.18 |
| Krupesh Ghanshyambhai Thakkar | 19,85,925 | 27.53 |
| Krupa Krupesh Thakkar | 2,82,415 | 1.69 |
| M/s. Rushil International | 18,45,770 | 12.30 |
| Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 2.47 |

## 17. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

## 18. Split or consolidation of Equity Shares in the last one year

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Letter of Offer.

## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 100, 111 and 172 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from the report titled "India Plywood and Laminates Market" published by Research Nester. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the information in the industry report or other publicly available information cited in this section.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 16 of this Draft Letter of Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.*

*Materiality:*

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

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Rushil Décor Limited.*

*The risk factors are classified as under for the sake of better clarity and increased understanding.*

**INTERNAL RISK FACTORS**

**BUSINESS RELATED RISKS**

1. ***There are outstanding litigations involving our Company, our Promoters, our Directors and Group Companies which, if determined adversely, may adversely affect our business and financial condition.***

As on the date of this Draft Letter of Offer, our Company, our Promoters, our Directors and our Group Companies are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoters, our Directors and our Group Companies, as the case may be, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies are provided below:

**a) Litigations involving our Company**

i) Cases filed against our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | - | - |
| Direct Tax matters | 01 | Not quantifiable |
| Indirect Tax matters | 03 | 112.87 |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

ii) Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 11 | 132.61 |
| Direct Tax matters | 01 | Nil |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

**b) Litigations against our Promoters**

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01# | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

*#The criminal matter has been filed against our Promoter Krupesh Ghanshyambhai Thakkar.*

**c) Litigations against our Directors**

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01# | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*
*#The criminal matter has been filed against our Director Krupesh Ghanshyambhai Thakkar.*

**d) Litigations involving our Group Companies**

*i) Cases filed against Shri Krupa Decorative Veneer Private Limited:*

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01 | 14.31 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

*ii) Cases filed by Shri Krupa Decorative Veneer Private Limited:*

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal matters | 01 | 6.70 |
| Direct Tax matters | - | - |
| Indirect Tax matters | - | - |
| Actions taken by regulatory authorities | - | - |
| Material civil litigations | - | - |

**To the extent quantifiable*

For further details, please refer to the section titled "*Outstanding Litigation and Other Material Developments*" on page 200 of this Draft Letter of Offer.

***2. In the past, there have been instances of delays and non-filings of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC. Further, there have also been instances where our Company has inadvertently filed incorrect information with the RoC in its statutory filings.***

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. Further, there have been instances of non-filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013. There have been instances where inadvertently incomplete or incorrect disclosure have been made in the director reports and annual reports filed by the Company with the RoC.

No show cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

***3. Our Company has recently set up a new manufacturing unit for 'thin and thick MDF' therefore, has a very limited operating history of our operations with respect to the same, which will make it difficult for the investors to evaluate our historical performance or future prospects***

Our Company since its incorporation has been carrying on the business of manufacturing decorative laminated sheets. In the year 2012, our Company successfully diversified its operations to manufacture MDF and PVC by setting up a separate manufacturing unit at Chikmagalur, Karnataka. Keeping in view the increasing demand of MDF products in the market, our Company has set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF. In this manufacturing facility, our Company

will be able to manufacture MDF products in different sizes and dimensions, which will enable us to enter into a niche segment of the market. We are highly dependent on our distribution network and the intermediaries who form a part of such network to sell and market our products. Our business model being highly dependent on our distribution network, we cannot assure you the marketability of our products.

We may face difficulty in understanding the demand and supply patterns, market trends, marketing segments for such products which may pose a risk in the smooth operation, and working of our proposed manufacturing unit. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

4. ***We are facing time and cost overrun in commencing the regular commercial production of thin and thick MDF in our proposed manufacturing unit situated at Andhra Pradesh. We do not know if the said manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

In addition to our existing manufacturing units in Gujarat and Karnataka, we have recently set up an additional manufacturing unit for thin and thick MDF in the state of Andhra Pradesh. We had proposed to initiate the regular commercial production of in the said manufacturing unit in March 2020. However, due to the ongoing pandemic and the nationwide lockdown which was imposed, our Company could not initiate regular commercial production and suffered time and cost overruns in the same. Due to the delay in the initiation of regular commercial production of the proposed manufacturing unit, our Company suffered a cost overrun of approximately ₹ 5,700 lakhs. Further, the machinery which has to be installed in the upcoming manufacturing unit has been imported from Germany, the installation and the setting up of such machineries, required the aid and assistance of technicians. In view of the lockdown and the international travel restrictions imposed by the Central Government, the technicians cannot travel to India to install the machinery in our manufacturing unit. In view of the above, the commencement of the regular commercial production in our proposed manufacturing unit might suffer a delay and we may face additional time and cost overrun.

Any further delay in the commencement of operation in our proposed manufacturing unit could lead to revenue loss for our Company. A major part of our proposed manufacturing unit is funded by loans which have been availed from Bank of Baroda and Bayerische Landesbank, if our proposed project suffers a further delay due to the ongoing pandemic, our Company may face cash crunch to repay the interest obligations. Further, our expansion plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled — "*Our Business*" and "*Financial Indebtedness*" on pages 111 and 185 of this Draft Letter of Offer.

5. ***We highly depend on our raw materials and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability***

Our Company is engaged in the business of manufacturing decorative laminated sheets, MDF and PVC and therefore we are highly dependent on kraft paper, derived from the wood of timber like eucalyptus and other tress which is the most important component in manufacturing our laminate sheet products. We are dependent on third party suppliers for procuring kraft paper which is the primary raw material used for manufacturing our products. Similarly, we are also dependent on farmers who are engaged in cultivating the trees from which we derive our major raw materials for MDF board. Our top five suppliers accounted for 24.02%, 26.80% and 26.68% of our expenses towards the purchase of raw materials for the Fiscals 2020,

2019 and 2018, respectively.. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Further, in view of the ongoing pandemic, we may not be able to procure adequate amount of raw materials for our four manufacturing units located in Gujarat and Karnataka. Due to logistical glitches and restrictions on crossing state borders imposed by various states, we may not be able to procure the required amount of raw materials. Even if we are able to procure the required amount of raw materials during such grim times, we cannot assure you that we will be able to do so at the required cost and that the increase in the cost of the raw materials will not affect the price of our products.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. In Fiscals 2020, 2019 and 2018, our cost of raw material consumed amounted to 51.04%, 54.90% and 53.62% of our total revenue respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the amount of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the laminate industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover advance payments or claim compensation from our suppliers consequently increasing the manufacturing costs or reducing the realisation of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

***6. We depend on our distributors, dealers, consignment stockists and branch offices for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key intermediaries may adversely affect our business and results of operations.***

Our Company has entered into formal agreements with several dealersconsignment stockists and branch offices to market and sell our products on payment of a pre-decided commission, thereby making us highly dependent on them for a significant portion of our revenue. As on March 31, 2020, we had a distribution network comprising of 196 distributors, 08 consignment stockists, 3,100 dealers and 06 branch offices. The intermediaries forming part of our distribution network help us in marketing and selling our products domestically.

Our distributors, dealers, consignment stockists and branch offices account for a substantial portion of our sales, and consequently our revenue, and we expect that such key intermediaries will continue to represent a substantial portion of our revenue from sale of products in the foreseeable future. Although, we have entered into formal agreements with such intermediaries, however we cannot assure you that either of the parties will not terminate such agreement or breach any covenant of such agreements. Periodically we may have to discontinue business with certain intermediaries, for reasons including delay in payments and inability to meet the expected sales targets, among others. Our ability to terminate our arrangements with certain intermediaries may be limited by the terms of our agreements with them. We may need to litigate the

intermediaries or litigations may be filed against us for any breach or termination of the contract, such litigation could be time consuming and costly and the outcome cannot be guaranteed. Further, the term of the contracts entered by our Company for distribution of our products range from two to three years, which are renewable at the end of the term, for additional periods, on terms mutually agreed between the parties, on expiry of such contracts, our Company or the intermediaries may not renew the contracts.

We cannot assure you that we will be able to continue to renew the arrangements with these third parties on terms that are commercially acceptable to us, or at all. We cannot assure you that such third parties shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or quality standards, or shall not choose to terminate their arrangements with our Company. Since, we do not deal with the end users of our products, such conflicts and non-renewal of such contracts may lead to depletion of our distribution network thereby adversely affecting our sales and consequently our business and results of operations.

***7. Our inability to effectively manage or expand our distribution network may have an adverse effect on our business, results of operations and financial condition.***

Our ability to expand and grow our sales significantly depends on the reach and effective management of our distribution network and the continued cooperation of third parties such as dealers, consignment stockists, etc. We cannot assure you that we will continue to be able to effectively manage our distribution network and maintain good relationships with such third parties. In view of the growing demand of MDF in India, we have set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF, a variant of MDF. We will shortly be starting with the regular commercial production in our proposed manufacturing unit and will need to expand our distribution network in view of the increase in the production of MDF by our Company. Our inability to strategically expand our distribution network may lead to revenue loss and impede the full utilisation of our production capacity. Certain distribution intermediaries may have exclusivity arrangements with our competitors and may be unable to, or decline to, stock and distribute our products, which in turn may limit our ability to expand our distribution network. We cannot assure you that we will be able to expand our sale and distribution network in accordance with our business plans, or at all, which may adversely affect our business, results of operations and financial condition.

***8. Our business and prospects may be adversely affected if we are unable to maintain and grow the image of our brands.***

Our Company has created a brand presence with our brands "VIR Laminates", "VIR MDF" and "VIR PVC". We sell our products under our brands, which we believe are well recognized, have been developed to cater to customers and have contributed to the success of our business in the market for decorative laminates, MDF and PVC. We believe our brand's image serve in attracting customers to our products in preference over those of our competitors. Maintaining and enhancing the recognition and reputation of these brands is critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brands, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives. In particular, from time to time we launch new products, and if any of those products do not meet standards for quality and performance or customers' subjective expectations, our brand reputation and the sales of our products may be impacted. If we fail to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

***9. The shares of our Promoter, Krupesh Ghanshyambhai Thakkar have been pledged as collateral security in favor of Bank of Baroda. Our business, financial condition and results of operations may be adversely affected in the event of enforcement of the pledge provided by our Promoter.***

Our Company *vide* a loan-cum hypothecation agreement dated May 23, 2020 executed with Bank of Baroda has agreed to pledge 13.30% of its share capital amounting to 19,85,925 Equity Shares held by our Promoter, Krupesh Ghanshyambhai Thakkar for securing the enhanced facilities lent by the bank. In terms of the clause 10 of the Loan cum Hypothecation agreement dated June 22, 2020 executed with Bank of Baroda, the pledge of the securities confers the bank with the right to *inter alia* attend general meetings of our Company, exercise voting rights in respect of the pledged securities, receive notices issued to shareholders and open and operate a designated demat account in connection with the pledged securities.

On the occurrence of an event of default as described in the loan-cum hypothecation agreement, the lender would be entitled to enforce the pledge. Any default under the facility agreement may result in, *inter alia*, the lender taking ownership of the pledged shares, selling the pledged shares to any third party purchaser, and attending and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of our Company. We cannot assure you, that our Company will be able to timely repay the interest and the principal amount due towards the loan availed from Bank of Baroda or that no such event of default would occur which may lead to enforcement of the pledge on the securities of our Promoter. In the event we fail to repay the loan amount timely or if an event of default is triggered the enforcement of the pledged securities of our Promoter will have an adverse impact on the management and control of our Company and may severely affect our business, results of operations and financial condition. For further details, please refer to the chapter titled "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

***10. The majority of Issue proceeds will be utilized by our Company for part- repayment or prepayment of unsecured loans availed by it from our Corporate Promoter, M/s. Rushil International.***

One of the Objects of this Issue is to partly repay or pre pay the unsecured loans amounting to ₹ 1,775 lakhs availed by our Company from our Corporate Promoter, M/s. Rushil International. As on March 31, 2020, we have outstanding unsecured loans aggregating to ₹ 5,360 lakhs from our Corporate Promoter. Out of the Issue proceeds, we intend to utilize ₹1,775 lakhs for part repayment or pre payment of unsecured loans availed by our Company from our Corporate Promoter. For further details, please see the chapter titled "*Objects of the Issue*" beginning on page 90 of this Draft Letter of Offer.

***11. Depleting forest reserves may reduce the raw material availability, resulting in increase in raw material cost.***

The key raw material used by us in our manufacturing units for manufacturing decorative laminates, MDF and PVC is kraft paper which is made from the wood of timber and eucalyptus. Our Company is using the wood of timber like eucalyptus and other tress which is the most important component in manufacturing our MDF board. Our business operations are highly dependent on the easy availability of kraft paper and agro-forestry wood in the market. Every year large hectares of forests are utilized as firewood. Such continuous depletion of the natural forest resources may result in reduction of raw material availability and consequently increase our raw material costs. With the increase in raw material costs we will be forced to increase the cost of our products which will affect our cost competitiveness. As of date, we have not been able to find an alternative for kraft paper and agro-forestry wood for manufacturing our products and our continuous business operations are highly dependent on the availability of these key raw material. In the event, due to the depleting forest reserves, we are unable to source the raw material and are unable to find a substitute for kraft paper and agro-forestry wood we may be forced to halt or permanently stop our business operations. Further, if the government introduces policies or laws regularizing the use of wood, our operations would be highly affected by such policies and we cannot assure you that our end use customers will not be affected by the same. On happening of such events, the continuity of our business operations, revenue, result of operations and financial condition may adversely be affected.

***12. Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing units are located in Gujarat, Karnataka and Andhra Pradesh. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the nationwide lockdown which was imposed by the Central Government and various state governments, we had to shut down all our manufacturing units from March 24, 2020. Pursuant to various notifications issued by Ministry of Home

Affairs, Government of India, all our manufacturing units were allowed to start their operations in the month of April and May 2020, subject to the conditions prescribed therein. In case, a further lockdown is imposed or if for other unforeseeable reasons, we have to halt the operations in our manufacturing units, it may cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

***13. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is conducive for us to set the bar for the quality of our products higher than our competitors and to ensure that the products manufactured by us would meet the quality standards which are set for our products as deviation from the same can cause our customers and distribution intermediaries to reject our products and can also damage our reputation and brand value.

As per the formal agreements which have been entered into by us with our distribution intermediaries, in the event the quality of our products or our products suffer from defects and are returned to the intermediaries due to quality complaints received from the end users, we would be bound to take back the dead stock lying with the intermediaries at our own expense and would have to reimburse the expenses or financial losses incurred by the intermediaries on such stocks. Such quality lapses could strain our relationship with our distribution intermediaries and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our intermediaries may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers or intermediaries for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

***14. If we are unable to anticipate and respond to changes in market trends and changing customer preferences in a timely and effective manner, or if we fail to maintain our reputation, brand value or increase the market for our products, the demand for our products may decline.***

We are engaged in the business of manufacturing decorative laminates, MDF and PVC under our brand names "VIR Laminates", "VIR MDF" and "VIR PVC". Our brand name and reputation is linked to the quality of our products and to our ability to understand the changing needs and demands of our end-use customers. Our products have varied applications and are majorly used in the residential and industrial sector for designing and manufacturing furniture, doors, cupboards, balconies, etc. Since our products form a key raw material in designing furnishings in the industrial and residential sector, we are expected to be aware of the changing market trends and the customer preferences. We are highly dependent on our design team and our intermediaries in the distribution networks, who have one on one contact with our end-use customers and are aware of the nature of the demand and preferences prevalent in the market. A significant feature of the laminate industry is the rapidly changing customer preferences and therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in lines with the changes in market trends as well as customer demands and preferences. If we are unable to respond to the changing customer preferences or in the event our design team is unable to upgrade our products periodically as per the prevalent market trends, or if we are unable to adapt to such changes by launching new products as per the demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

Maintaining and enhancing our brand recognition and reputation is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products

do not meet standards for quality or customers' expectations, our market standing, reputation and the sales of our products may have an impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

***15. Any delays and/or defaults in payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We do not deal with our end use customers directly and our dependent on our intermediaries in the distribution network to sell our products and transfer us the proceeds of the sale. As per the formal contracts entered into by us with our intermediaries, the sale proceeds received by our intermediaries from selling our products shall remain vested in our Company and no one else. Further, on sales being effected the proceeds thereof shall immediately vest in our Company and remain in trust with our intermediaries until they are remitted or paid to us. Since, the sale proceeds of our products are channeled from our intermediaries, we are exposed to payment delays and/or defaults of payments and our financial position. Such delays in payments may require our Company to make a working capital investment. It can also be the case that our end use customers may cause a delay in making payments to our intermediaries or altogether fail to make the payments due. We cannot assure you that payments from all or any of our intermediaries will be received in a timely manner or to that extent will be received at all. If any of our intermediaries default in making its payments, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the Fiscal ending March 31, 2020, 2019 and 2018 our trade receivables were ₹ 6346.75 lakhs, ₹ 5692.41 lakhs and ₹ 5017.53 lakhs, respectively, out of which, debts amounting to ₹ 725.03 lakhs, ₹ 497.67 lakhs and ₹ 447.70 lakhs were outstanding for a period exceeding six months from the due date. In the event, we do not receive payments from our intermediaries in a timely manner or do not receive the payment due to us at all we may have to take legal action against them which would divert the attention of our management from the core matters of our Company. Further, such litigations can be time consuming and costly and we cannot assure you that the result of such litigations would always be in our favor.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

***16. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.***

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. Our Company has set up a manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF, which is a variant of MDF and is proposing to commence the regular commercial production. However, due to the ongoing pandemic and the nationwide lockdown which was imposed, our Company could not initiate regular commercial production as per the prescribed time lines. We cannot assure you that we would be able to successfully implement our growth plans and strategies for our new manufacturing unit or that we will not face further delays in our plans. Further, we also cannot assure you that our new products would bring the desired result or would be accepted by our customers as our existing products. In the event, our new line of product is unable to bode well with the customers or if the we are unable to justify the quality of our new products, it may have an adverse effect on our competitiveness, business operations and revenue.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain

new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

***17. If our Company is unable to continue being creative in our designs or if we are unable to keep up to the changing market trends it may adversely affect our business, results of operations and prospects.***

Our results of operations depend upon the continued demand of our products by our customers. Since we operate in a competitive industry where customers' purchases are highly subjective and sensitive to current trends along with creativity, keeping in with the latest market trends is one of the key attributes for success. For our Company to remain competitive in respect of appealing designs, our design team has to keep itself well informed and up-to date with the latest global trends and customer demands and more importantly understand the requirements of the customers. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to update our products on a timely basis, we may lose customers to our competitors, or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. If we are not able to anticipate the demand, or misjudge the quantity, *inter alia*, this could lead to lower sales, higher inventories and higher discounts, each of which could adversely affect our brand, reputation, results of operations and financial condition.

Since, the designing and development of our products is a key aspect of our operations, we incur significant amount of expenses for the same and we cannot assure you that our current product portfolio and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing and manufacturing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

***18. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers and our intermediaries to pay the full amount of the consideration only after they receive the product, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our intermediaries. In view of the increasing demand of MDF domestically and internationally, we have set up an additional manufacturing unit in Andhra Pradesh. To meet the increasing demand we require smooth functioning of our manufacturing units and adequate stocks of raw materials to be maintained which require a regular flow of working capital.

Any delay in processing our payments by our customers or our intermediaries may increase our working capital requirement. Further, if a customer or an intermediary defaults in making payment for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result, or have resulted, in increase in the amount of receivables and short-term borrowings. Continued increase in working capital requirements may adversely affect our financial condition and results of operations. We may also have large cash flows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

Summary of our working capital position based on our Restated Financial Information is given below:

| **Particulars** | **Amount (in ₹)** |
|---|---|
| Bank of Baroda - Cash Credit Loans (including Working capital demand loan of ₹ 20 crore P.Y ₹ 20 crore and F.Y. 2017-18 ₹10 crore | 34,52,69,065 |
| Bank of Baroda - Packing Credit | 18,33,62,114 |
| Bank of Baroda - Foreign Bills Purchase | 5,45,28,210 |

***19. The decrease in or removal of government incentives relating to customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges may have a material adverse effect on our profitability.***

The Government of Andhra Pradesh has extended various incentives by its order dated March 13, 2017 bearing number G.O.MS.No.42 in favour of our Company for the proposed manufacturing unit set up in Andhra Pradesh for thin and thick MDF. The benefits include *inter alia* fixed power cost reimbursement, reimbursement of VAT or CST or SGST, reimbursement of cost incurred towards capital expenditure, etc.

Above mentioned benefits are subject to conditions as mentioned in above referred policy and said policy was in force up to March 31, 2020. Since the commencement of regular commercial production in our proposed manufacturing unit has been postponed due to the spread of Novel Coronavirus, we cannot assure you that we will eligible for receiving the said benefits of mega projects. However, in the event, Government of Andhra Pradesh extends validity of said order based on application, our Company might become eligible to avail mega project benefits under the said order.

Our Company has been deriving various incentives under the Industrial Development Policy – 2015-2020 issued by the Government of Andhra Pradesh and the order dated April 29, 2015 bearing number G.O.MS. No. 36. Our Company falls under the definition of large industries and is eligible to avail benefits such as *inter alia* reimbursement of VAT, CST etc., fixed power cost reimbursement, reimbursement of 25% cost incurred towards capital expenditure, etc. Since, the Industrial Development Policy – 2015-2020 was valid until March 31, 2020, we cannot assure you that, this policy will be renewed and we will continue to avail benefits under the said policy. We also cannot assure you that in the future we will qualify as a large industry and will be eligible to avail incentives under the said policy.

Taxes and other levies imposed by the Central or State Governments in India that affect the industry we operate include customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax incentives resulting in a decrease in the effective tax rate compared to the tax rates that we would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations. Any new taxes/ changes in existing tax policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

***20. We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Our upcoming manufacturing unit in Andhra Pradesh has been planned to operate using German technology, further the machineries, which have been installed in our proposed unit, have been imported from Germany, in view of the specialized product which is proposed to be manufactured. In the event, the technology systems installed in our proposed manufacturing unit does not provide the desired results or faces certain shortcomings, we may face a loss to the extent of the investments made in the said manufacturing unit. Further, the machineries and the technology installed in the unit have been taken on credit and if the machineries and technology face shortcomings, we will still be liable to pay the principal amount along with the interest due to our lenders. On the occurrence of such events, our Company may face cash crunch to repay the amount lent.

Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could

adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

***21. Our Group Companies have incurred losses in the past. Continuous financial losses by our Group Companies may be perceived adversely by external parties such as clients and bankers, which may affect our reputation, business, financial condition and results of operation.***

Our Group Companies have incurred losses in the past, details of which are as under:

(*₹ in lakhs*)

| S. No. | Name of the Group Company | Profit or (Loss) after Tax | | |
|---|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** | **March 31, 2017** |
| 1. | Ghanshyam Forwarder Private Limited | (3.40) | (40.80) | (9.02) |
| 2. | Shri Krupa Decorative Veneer Private Limited | (5.20) | (52.37) | (384.53) |
| 3. | Ratnatej Infrastructure Private Limited | * | * | (0.99) |
| 4. | Vir Studdio Private Limited (OPC) | * | (3.37) | * |
| 5. | Surya Panel Private Limited | (422.73) | (110.11) | - |

** indicates profits*

There can be no assurance that our Group Companies, will not incur losses in future, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Group Companies may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

***22. Some of our Group Companies have had negative Net Worth in Fiscal Year 2019.***

Our Group Companies, Surya Panel Private Limited, Vir Studdio Private Limited (OPC) and Ghanshyam Forwarder Private Limited have incurred negative Net Worth in the past, details of which are provided below:

*(₹ in lakhs)*

| S. No. | Name of the Group Company | Net Worth |
|---|---|---|
| | | **March 31, 2019** |
| 1. | Surya Panel Private Limited | (132.84) |
| 2. | Vir Studdio Private Limited (OPC) | (21.66) |
| 3. | Ghanshyam Forwarder Private Limited | (626.50) |

There can be no assurance that our Group Companies will not incur negative Net Worth in the future as well.

***23. We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Letter of Offer, our Corporate Office, our manufacturing unit situated at Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat and some of our warehouses have been taken on lease by our Company from related parties or third parties. For details, please refer to the chapter titled "*Our Business- Our Immovable Properties*" on page 122 of this Draft Letter of Offer.

There can also be no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there can be no assurance that we will not face

any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee will adversely affect our business operations.

***24. Our Company does not have any documentary evidence for the educational qualifications and experience of one of our Directors.***

Our Independent Director, Rohit Bhailalbhai Thakkar is unable to trace his educational qualifications and documents evidencing his past experience. Due to lack of documents and relevant information from the aforementioned Independent Director, we have not disclosed his educational qualifications and relevant experience in their biographies in the chapter titled "*Our Management*" as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled "*Our Management*" on page 139 of this Draft Letter of Offer.

***25. Certain records of our Company are not traceable due to the nationwide lockdown imposed by the Central Government.***

Due to the ongoing pandemic and the lockdown imposed by the Central Government and certain State Governments we do not have access to certain records and filings pertaining to the litigations filed by our Company and unsecured loan availed by our Company from various financial institutions. We are also unable to trace the lease deed entered into by our Company with Hira Hylam Private Limited for the land situated at Plot No. 608, GIDC, Mansa District. Gandhinagar, Gujarat, therefore we have not added the details of the same in this Draft Letter of Offer. We are unable to trace the relevant documents for the transmissions and transfer of Equity Shares done by our Promoters before the listing of our Equity Shares on the Stock Exchanges. Accordingly, we have relied on the confirmations, other documents, including submissions made to the Stock Exchanges, annual returns, directors' report, the statutory register of members of the Company, minutes of the meetings of the Board of Directors and Shareholders while making the relevant disclosures. We undertake to trace the filings and the record which are inaccessible as of the date of this Draft Letter of Offer. However, we cannot assure you that these records will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

***26. Our application for renewal of certain licenses, approvals and registrations, which are required for our Company's operations and business, are pending before the relevant authorities. Further, some of the licenses and approvals have not been availed by our Company. Not receiving these licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing units, some of which are granted for a fixed period of time and need to be renewed from time to time. Our Company has made applications before the relevant authorities for renewal of some of the licenses, approvals and registrations that have expired which are pending before the relevant authorities. Further, there are certain licenses and approvals which have to be availed by our Company for our manufacturing units, but have not yet been applied for. There have been instances in the past, where the statutory authorities have taken legal actions against us for non - renewal or not availing certain licenses and approvals. However, as of date of this Draft Letter of Offer, there are no pending proceedings, which have been initiated against us by the statutory authorities. We cannot assure you that in the near future there will not be any legal actions taken against us for the same.

Further, there are certain licenses/approvals which are required to be obtained from the relevant authorities for our proposed manufacturing unit situated at Andhra Pradesh for thin and thick MDF, which will be applied for at a later date. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business. For further details on the licenses obtained by our Company, please refer to the chapter titled — "*Government and Other Approvals*" on page 207 of this Draft Letter of Offer.

27. ***If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our Company has created a brand presence with our major brands "VIR Laminates", "VIR MDF", "VIR PVC" and "SIGNOR". Our Company's success largely depends on our brand name and brand image, therefore we have trademarked our brand names and their logos differentiating our Company's products from that of our competitors. We deal under other brand names as well, which have also been trademarked by us to maintain a distinction and differentiation for our products and brands. Our current trademark and logo RUSHIL, is owned by our Company under the provisions of the Trademarks Act, 1999. Our trademarks may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs.

We have applied for, but not yet obtained registration with respect to certain trademarks. Further, applications for renewal of certain trademarks are pending as well. One of our trademark has also been opposed on various grounds including prior proprietorship and prior registration. We cannot assure you that we will be successful in such a challenge nor can we guarantee that eventually our trademark application will be approved, which in turn could result in significant monetary loss or prevent us from selling our products under our brand 'VIR PLYWOOD'. In relation to our other pending applications, third parties may seek to oppose or otherwise challenge these registrations. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our distribution intermediaries with whom we have entered into formal contracts are restricted to use the brand name and logo of our products in the manner provided by us, , however we cannot assure you that our intermediaries will not misuse our brand name or logo or pass off our products as their own or allow any third party to misuse our brand name. In such an event, we may have to prosecute our intermediaries or any third parties which could be time consuming and the outcome of such litigations may not always be in our favor. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapter titled "*Government and other Statutory Approvals*" on pages 207 of this Draft Letter of Offer.

28. ***We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our distribution intermediaries. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

Three of our manufacturing units are located in Gujarat, one manufacturing unit is located Karnataka and one manufacturing unit is located in Andhra Pradesh. To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units or warehouses and transportation of our products from our units or warehouses to our distributors, dealers, consignment agents etc., which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery

of raw materials to us and delivery of our products to our distribution intermediaries. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our distribution intermediaries and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long term agreements with our transporters for any of our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfil their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

***29. If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

***30. We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.***

All our manufacturing units have significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing units situated in Gujarat received power supply from Uttar Gujarat Vij Company Limited, our manufacturing units situated in Karnataka receive power supply from Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited and lastly, for our manufacturing unit in Andhra Pradesh we intend to source the power from the state power authority.

Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled "*Our Business- Power*" on page 120 of this Draft Letter of Offer.

***31. We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and

logistical challenges in addition to the changing customers' taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. Further, we do not deal with end use customers, therefore we will have to engage distributors, dealers and other intermediaries to enter the international markets. If we are unable to make long-lasting relations with the major intermediaries in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

***32. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavours to comply with all such obligations/reporting requirements, there may be non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

***33. Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.***

The laminate industry in India is fragmented and competitive with both organized and unorganized markets. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see "*Industry Overview*" on page 100 of this Draft Letter of Offer.

***34. Our growth and our financial results may be affected by factors affecting the real estate industry in India.***

Our financial results are influenced by the macroeconomic factors determining the growth of the Indian economy as a whole and real estate sector in particular. The interior infrastructure sector is influenced by a growth in disposable income. A buoyant economy and rising per capita income and easy availability of housing finance drive urbanization, fueling growth in housing and creating room for the interior infrastructure. The demand for interior infrastructure products is primarily dependent on the demand for real estate which influences the demand for plywood, laminates and other interior infrastructure products.

Periods of slowdown in the economic growth of India has significantly affected the real estate sector in the recent past. Any further downturn in the real estate industry and/or changes in governmental policies affecting the growth of this sector may have an adverse effect on the demand for plywood, laminates and other infrastructure products and the results of our operations. Especially, during the ongoing pandemic, the economy as a whole has withstood the worst impact of extended lockdown and reduction in the flow of income. Real estate and the interior infrastructure sector industries may see a downside in the current situation and an adverse and direct impact could fall on our business operations, demand of our products, revenue and financial condition.

***35. Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoter, Krupa Krupesh Thakkar holds the position of Senior Vice President - Business Development in our Company and therefore may be deemed to be interested in any remuneration which may be payable to her in such capacity. Our Promoters, Director and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraph titled — "*Our Immovable Properties*" in the chapter titled — "*Our Business*", the paragraphs titled — "*Interest of our Directors*" in the chapter titled — "*Our Management*", the paragraphs titled — "*Interest of our Promoter and Other Interests and Disclosures*" in the chapter titled — "*Our Promoter and Promoter Group*", "*Financial Indebtedness*" and "*Restated Financial Information- Annexure V- Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" on pages 122, 145, 157, 185 and F-47 respectively, of this Draft Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

***36. Our Promoters have extended personal guarantees with respect to loan facilities availed by our Company. Further, two of our Promoters have provided their property and shares as collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.***

Our Promoters, Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar have extended personal guarantees in favour of certain banks with respect to the loan facilities availed by our Company from them. Ghanshyambhai Ambalal Thakkar has also provided three of his properties as collateral security for the loan availed by our Company from Bank of Baroda. Our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar has also pledged 13.3% of his shareholding amounting to 19,85,925 Equity Shares for the loan availed from Bank of Baroda.

In the event any of these guarantees are revoked or the properties and shares provided as a security are withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements,

our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

***37. Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately [●]% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

***38. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of March 31, 2020, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 23,090.94 lakhs. The details of our contingent liabilities are as follows:

*(₹ in lakhs)*

| **Particulars** | **Amount** |
|---|---|
| Disputed Excise Demand Matter Under Appeal | 85.32 |
| Disputed Custom Duty Matter Under Appeal | 27.56 |
| Outstanding Bank Guarantee | 688.01 |
| Capital Commitments | 1,953.42 |
| Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty. | 20,336.63 |
| **Total** | **23,090.94** |

For further details of contingent liability, see the section titled — "*Financial Information*" on page 171 of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

***39. We have in past entered into related party transactions and we may continue to do so in the future.***

As of March 31, 2020, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group and our Group Companies relating to our operations. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2020. For further details, please refer to the chapter titled — "*Restated Financial Information- Annexure V- Notes to Restated Financial Statements- Note 43- Related Party Disclosures as per Ind AS 24*" at page F-47.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may 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 taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

***40. Some of our Group Companies have their main objects similar to that of ours which may be a potential source of conflict for us.***

Our Group Companies, Ghanshyam Forwarder Private Limited, Shri Krupa Decorative Veneer Private Limited, Vir Studdio Private Limited (OPC) and Surya Panel Private Limited have main objects similar to that of our Company and may carry out business activities which are similar to that of ours. This may be a potential source of conflict for us and may adversely affect our operations. As on date of this Draft Letter of Offer, we have not entered into a non-compete agreement with any of the said Group Companies. There is no assurance that a conflict of interest may not occur between our business and the business of our other Group Companies in the future, or that we will be able to take adequate measures to address such conflict or that we will be able to suitably resolve such a conflict without an adverse effect on our business or operations. For further details, see "*Our Group Companies – Common Pursuits*" on page 167 of this Draft Letter of Offer.

***41. Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.***

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans availed from Promoters and third parties, undertake guarantee obligations on behalf of any other borrower including group companies, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. For details of the events of default and the actions which can be taken by the banks on occurrence of such events, please refer to "*Events of Default*" and "*Consequences of default*" in the chapter titled "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

***42. In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on March 31, 2020 our Company's total fund based indebtedness is ₹ 40,523.58 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — "*Financial Indebtedness*" on page185 of this Draft Letter of Offer.

***43. Our Company has taken certain unsecured loans from our Promoters, members of our promoter group and financial institutions, which may be recalled at any time.***

As on March 31, 2020, our Company has outstanding unsecured loans aggregating to ₹ 6,364.95 lakhs, which have been extended by our Promoters, members of our promoter group and financial institutions and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

***44. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

***45. Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

Our Company depends on the management skills and guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our Directors have been associated with our Company since inception and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — "*Our Management*" on page 139 of this Draft Letter of Offer.

***46. Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.***

Our Company is engaged in the business of manufacturing decorative laminates, MDF and PVC wherein the kraft paper which is made from timber and eucalyptus is used as a key raw material. Due to the use of wood based products, our manufacturing activities are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. For further details please refer to the chapter titled "*Key Industry Regulations and Policies*" on page 124 of this Draft Letter of Offer.

There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. There have been instances in the past, where our Company had received notices from Gujarat Pollution Control Board to halt the business operations in some of our manufacturing units situated in Gujarat due to non-adherence of rules and

regulations governing our manufacturing unit. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing units due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc.

Our Company is also subject to safety and health laws and regulations such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981. These laws and regulations impose controls on our Company's safety standards, and other aspects of its operations. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

***47. Our Company is highly dependent on skilled contract labour for manufacturing of our products. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire skilled contract labour, the quality of our products being manufactured in our units can get affected.***

Our operations are significantly dependent on access to a large pool of contract laborers for operation of our manufacturing unit. As of March 31, 2020, while we had 529 permanent full time employees, we also employed contract laborersunder the Contract Labour (Regulation and Abolition) Act, 1970. The number of contract labourers employed by us varies from time to time based on the nature and extent of work in which we are involved. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract laborersduring peak periods. Further, our manufacturing unit and our proposed manufacturing unit are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our projects. In addition to the above, in view of the ongoing pandemic and the lockdown which was imposed by several State and Central Governments, there is an acute shortage of unskilled laborers, since most of the unskilled workers have returned to their native places due to the widening income gap and lack of adequate resources to sustain their livelihood. In the event, we are unable to source adequate numbers of unskilled laborers for our manufacturing units or if we are exposed to an increased expense due to the surge in the wages of unskilled laborers we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages charged by the laborers, we may have to increase the cost of our product which would directly impact our distribution intermediaries and our end use customers.

As of March 31, 2020, while we had 529 permanent full time employees, we also employed contract laborers to carry out our manufacturing processes under the Contract Labour (Regulation and Abolition) Act, 1970. We believe our employees and unskilled labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure

you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

Our Company appoints independent contractors who in turn engage on-site contract labourers for carrying out the manufacturing process. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent workmen. Thus, any such order from a regulatory body or court may adverse effect on our business, results of operations and financial condition. In addition, on an application made by contract labourers, an Industrial court or Tribunal may direct that the contract labourers shall be regularized or absorbed or the State Government may altogether prohibit the employment of contract labour. If either of the abovementioned events occur, we may be required to induct such labourers on our payroll, as employees, which may result in an increase in our expenses. Further, even though we have obtained all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals. In the event of cancellation or non-renewal of our approvals it may cause an interruption of our operations and may adversely affect our business, financial condition and future results of operations. Furthermore, all contract labourers engaged in our projects receive minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

***48. Our operations can be adversely affected in case of industrial accidents at our manufacturing unit.***

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. There have been instances in the past, where fatal accidents have occurred in our manufacturing units, which have led to the death of one of our employees and have left some of our employees injured. However, we cannot assure you that such instances would not happen in the future, leading to death or disablement of our employees. Although, we have availed workmen compensation policy, group personal accident insurance policy, group health insurance policy and public industrial liability policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources. Our Company has adopted adequate safety measures, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

***49. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, we have obtained certain policies such as burglar insurance policy, boiler and pressure plant insurance policy, standard fire and perils policy, group personal accident insurance policy, group health insurance policy, fire industry all risk policy, workmen compensation policy, smart marine INS open policy, public liability industrial policy, marine sales turnover policy, directors and officers insurance policy and office and professional establishment protector policy. The said policies insure us against loss or damage caused by burglary, fire, earthquake etc. and insure *inter alia* our godown, plant and machinery, accessories, furniture, fixture and fittings, goods, chemicals viz. phenol and menthol and any other goods pertaining to insured trade either owned or held in trust while lying anywhere. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the

insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

***50. Any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.***

Our key raw material used in our manufacturing process is wood, which is highly flammable in nature, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent risk of loss by fire. Further, with the use of chemicals, boilers, large volume of air for material handling, etc. the risk of fire hazard increases exponentially. The stocks of finished goods, raw materials, godowns and the main manufacturing area are more prone to such accidents, which could cause substantial loss to our machinery, thus hampering our business operations. Although, we have taken appropriate insurance cover for protecting our manufacturing unit from such losses caused by fire, there can be no assurance that our insurance policies will be adequate to cover the losses. If there occurs an accident or mishap due to fire, it could adversely affect our results of operations and financial position.

***51. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.***

Our Company is involved in various business transaction with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularise the payment. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

***52. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. 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 in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "*Dividend Policy*" and the chapter titled "*Financial Indebtedness*" on pages 170 and 185 respectively, of this Draft Letter of Offer.

***53. Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.***

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

***54. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".***

As the issue size shall be less than ₹10,000 lakhs, under Regulation 41 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — "*Objects of the Issue*" on page 90 of this Draft Letter of Offer.

***55. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available in the report titled "India Plywood and Laminates Market" published by "Research Nester" and such data has not been independently verified by us.***

We have not commissioned an industry report for the disclosures which need to be made in the chapter titled "*Industry Overview*" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available in the report titled "India Plywood and Laminates Market" published by "Research Nester" for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

**ISSUE SPECIFIC RISKS**

***56. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

***57. SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Draft Letter of Offer and the Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 234.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would

comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

***58. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by Original Resident Shareholders. Further, B-WAP is only an additional option and not a replacement of the ASBA process. On B-WAP, the Original Resident Shareholders can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue*" on page 234. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology
- in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, B-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that B-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through B-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the B-WAP facility.

***59. The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

***60. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized 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 may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

***62. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

***63. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future. Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

***64. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

***65. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to of volatility linked among other factors to the

uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

***66. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

***67. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

***68. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**EXTERNAL RISK FACTORS**

***69. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could

cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

***70. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our restated summary statements of assets and liabilities as at March 31, 2020 and restated summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2020 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

***71. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

***72. A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

***73. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax

consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

***74. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

These could include further falls in Stock Exchange indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global

credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

***75. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

***76. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

***77. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

***78. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws,***

***may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 ("**Finance Act**") on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 ("**Bill**") has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

***79. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

***80. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. For example, our manufacturing facilities are located in western India, hence any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect our operations.

***81. Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

## SECTION III – INTRODUCTION

## THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on November 11, 2019 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 234 of this Draft Letter of Offer.

| Particulars | Details of Equity Shares |
|---|---|
| **Equity Shares proposed to be issued** | Upto [●] Equity Shares |
| **Rights Entitlement** | Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date |
| **Fractional Entitlement** | For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any. |
| **Record Date** | [●] |
| **Face value per Equity Shares** | ₹ 10/- |
| **Issue Price per Rights Equity Shares** | ₹ [●]/- |
| **Issue Size** | Upto ₹ [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 2,490 lakhs. |
| **Voting Rights and Dividend** | The Equity Shares issued pursuant to this Issue shall rank *pari pasu* in all respects with the Equity Shares of our Company. |
| **Equity Shares issued, subscribed and paid up prior to the Issue** | 14,931,332 Equity Shares |
| **Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)** | Upto [●] Equity Shares |
| **Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)** | [●] |
| **Money payable at the time of Application** | ₹ [●] |
| **Money payable at the time of First Call** | ₹ [●] |
| **Money payable at the time of Second Call** | ₹ [●] |
| **Balance payable at the time of Third and Final Call** | ₹ [●] |
| **Call Payment Period** | A period as may be fixed by the Board or its committee to enable the payment of the Calls by the holders of partly paid-up Rights Equity Shares |
| **Scrip Details** | **ISIN:** INE573K01017<br>**BSE:** 533470<br>**NSE:** RUSHIL |
| **Use of Issue Proceeds** | For details please refer to the chapter titled "*Objects of the Issue*" on page 90 of this Draft Letter of Offer. |
| **Terms of the Issue** | For details please refer to the chapter titled "*Terms of the Issue*" on page 234 of this Draft Letter of Offer. |

### Terms of Payment

The terms of payment for this Issue are as follows:

| Amount payable per Rights Equity Share | Face Value (₹) | Premium (₹) | % of Issue Price | Total (₹) |
|---|---|---|---|---|
| On Application | [●] | [●] | [●] | [●] |
| On First Call | [●] | [●] | [●] | [●] |
| On Second Call | [●] | [●] | [●] | [●] |
| On Third and Final Call | [●] | [●] | [●] | [●] |
| **Total** | **[●]** | **[●]** | **[●]** | **[●]** |

Please refer to the chapter titled "*Terms of the Issue*" on page 234 of this Draft Letter of Offer.

**Issue Schedule**

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| Event | Indicative Date |
|---|---|
| Issue Opening Date | [●] |
| Last Date for On Market Renunciation of Rights | [●] |
| Last Date for Off Market Renunciation of Rights | [●] |
| Issue Closing Date* | [●] |

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

## SUMMARY OF FINANCIAL INFORMATION

*The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the Fiscals 2020, 2019 and 2018. The Restated Financial Information referred to above is presented under the section titled "Financial Information" on page 171. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 171 and 172, respectively.*

*(The remainder of this page is intentionally left blank)*

**RESTATED SUMMARY OF ASSETS AND LIABILITIES**

**(Amount in ₹)**

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|---|
| **(I) ASSETS** | | | | |
| **(1) Non- current Assets** | | | | |
| (a) Property, Plant and Equipment | 1 | 1972042460 | 2041633953 | 1941718803 |
| (b) Capital work-in-progress | 1 | 3384685486 | 977846643 | 40777523 |
| (c) Other Intangible assets | 2 | 628938 | 1013676 | 1136414 |
| (d) Financial Assets | | | | |
| (i) Investments | 3 | 125000 | 125000 | 10000 |
| (ii) Trade receivables | 4 | 23080878 | 17187896 | 18508010 |
| (iii) Loans | 5 | 1038369 | 966128 | 2316780 |
| (e) Other non-current assets | 6 | 545223045 | 929151966 | 235265212 |
| **Total Non- current Assets** | | **5926824176** | **3967925262** | **2239732742** |
| **(2) Current Assets** | | | | |
| (a) Inventories | 7 | 855845552 | 879635235 | 832363150 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 8 | 611594075 | 552052810 | 483244722 |
| (ii) Cash and cash equivalents | 9 | 6550236 | 6589824 | 5651699 |
| (iii) Bank balances other than (ii) above | 10 | 51653857 | 52351674 | 42341548 |
| (iv) Loans | 11 | - | 31618262 | 25000000 |
| (c) Current Tax Assets | | - | - | |
| (d) Other current assets | 12 | 405566829 | 291928490 | 140073213 |
| **Total Current Assets** | | **1931210549** | **1814176295** | **1528674332** |
| **Total Assets:** | | **7858034725** | **5782101557** | **3768407074** |
| **(II) EQUITY AND LIABILITIES** | | | | |
| **(1) Equity** | | | | |
| (a) Equity Share capital | 13 | 149313320 | 149313320 | 147174600 |
| (b) Other Equity | 14 | 2134689861 | 1909903621 | 1559411103 |
| **Total Equity** | | **2284003181** | **2059216941** | **1706585703** |
| **(2) Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Financial Liabilities | | | | |

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|---|
| (i) Borrowings | 15 | 3388466397 | 1801945476 | 388643225 |
| (ii) Trade Payables | | | | |
| - dues to micro and small enterprises | | - | - | - |
| - dues to other than micro and small enterprises | 16a | 10644336 | 4348634 | 4291927 |
| (ii) Other Financial Liabilities | 16b | 76022584 | 37059453 | 37359066 |
| (b) Provisions | 17 | 21319445 | 13756009 | 11244231 |
| (c) Deferred tax liabilities (Net) | 18 | 234895026 | 307353142 | 283843991 |
| (d) Other non-current liabilities | 19 | 79387960 | 80023368 | 13488561 |
| **Total Non-Current Liabilities** | | **3810735748** | **2244486082** | **738871001** |
| | | | | |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 20 | 583159389 | 529880644 | 468214879 |
| (ii) Trade payables | | | | |
| - dues to micro and small enterprises | 21 | 53438067 | 38403268 | 43074016 |
| - dues to other than micro and small enterprises | 21 | 904414821 | 699634541 | 594467676 |
| (iii) Other financial liabilities | 22 | 100860764 | 120247794 | 156015880 |
| (b) Other current liabilities | 23 | 32140583 | 24153132 | 18209488 |
| (c) Provisions | 24 | 51541173 | 63567419 | 18731388 |
| (d) Current Tax Liabilities (Net) | 25 | 37740999 | 2511736 | 24237043 |
| **Total Current Liabilities** | | **1763295796** | **1478398534** | **1322950370** |
| | | | | |
| **Total Equity and Liabilities:** | | **7858034725** | **5782101557** | **3768407074** |

**RESTATED SUMMARY OF PROFIT AND LOSS**

**(Amount in ₹)**

| Sr. No | Particulars | Note No. | Year ended 31st March, 2020 | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|---|---|---|
| I | Revenue from Operations | 26 | 3355980412 | 3437420924 | 3509757249 |
| II | Other Income | 27 | 35358314 | 84902299 | 27067802 |
| III | **Total Income (I +II)** | | **3391338726** | **3522323223** | **3536825051** |
| IV | Expenses: | | | | |
| (a) | Cost of Materials Consumed | 28 | 1730943597 | 1933707755 | 1896308560 |
| (b) | Purchases of Stock-in-Trade | 29 | 13536052 | 611113 | 15510713 |

| Sr. No | Particulars | Note No. | Year ended 31st March, 2020 | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|---|---|---|
| (c) | Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress | 30 | 2559257 | (16815206) | (103237753) |
| (d) | Excise duty | 31 | - | - | 74564991 |
| (d) | Employee Benefits Expense | 32 | 293155456 | 256223170 | 209793520 |
| (e) | Finance Costs | 33 | 120443123 | 135904151 | 87023507 |
| (f) | Depreciation and Amortization Expense | | 86893646 | 86291158 | 75293456 |
| (g) | Other Expenses | 34 | 946645185 | 897207136 | 851944099 |
| | **Total Expenses (IV)** | | **3194176316** | **3293129277** | **3107201093** |
| V | **Restated Profit before exceptional items and tax (III- IV)** | | **197162410** | **229193946** | **429623958** |
| VI | Exceptional Items | | - | - | - |
| VII | **Restated Profit before tax (V-VI)** | | **197162410** | **229193946** | **429623958** |
| VIII | Tax expense: | 35 | | | |
| | (1) Current Tax | | 53900000 | 65600000 | 105100000 |
| | (2) Current Tax expense relating to prior years | | (13670341) | 267735 | - |
| | (3) Deferred Tax | | (73564408) | 19976577 | 15282477 |
| | **Total Tax Expenses (VIII)** | | **(33334749)** | **85844312** | **120382477** |
| IX | **Profit for the period (VII -VIII)** | | **230497159** | **143349634** | **309241481** |
| X | Other Comprehensive Income (OCI) | | | | |
| | A (i) Items that will not be reclassified to profit or loss | | 4395629 | (514606) | (1691616) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (1106292) | 179824 | 565802 |
| | B (i) Items that will be reclassified to profit or loss | | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - | - |
| | **Total Other Comprehensive Income (X)** | | **3289337** | **(334782)** | **(1125814)** |
| XI | **Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)** | | **233786496** | **143014852** | **308115667** |

| Sr. No | Particulars | Note No. | Year ended 31st March, 2020 | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|---|---|---|
| XII | Earnings per equity share (Face Value of ₹10/- each)<br>Basic & Diluted | 36 | 15.44 | 9.61 | 21.27 |

**RESTATED STATEMENT OF CASH FLOWS**

**(Amount in ₹)**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| **(A)Cash Flow From Operating Activities** | | | |
| Profit before tax as per Standalone Statement of Profit & Loss | **197162410** | **229193946** | **429623958** |
| Adjustments for | | | |
| Re-measurement gain/(loss) on defined benefit plans | 4395629 | -514606 | (1691616) |
| Depreciation and amortization expense | 86893646 | 86291158 | 75293456 |
| Interest and Finance cost | 120443123 | 135904151 | 87023507 |
| (Profit)/Loss on disposal of Property, Plant and Equipment | (552879) | - | 61075 |
| | **211179519** | **221680703** | **160686422** |
| Operating Profit Before Working Capital Changes | **408341929** | **450874649** | **590310380** |
| Adjustment for Change In: | | | |
| (Increase) / Decrease in Inventories | 23789683 | (47272085) | (214326999) |
| (Increase) / Decrease in Trade Receivables | (65434247) | (67487974) | (16119356) |
| (Increase) / Decrease in Financial Assets | 625576 | (8659474) | 192081303 |
| (Increase) / Decrease in Other Assets | (128436527) | (238733919) | (218250476) |
| Increase / (Decrease) in Trade Payables | 226110781 | 100552824 | 230221222 |
| Increase / (Decrease) in Financial Liabilities | 19576102 | (36067700) | 16717072 |
| Increase / (Decrease) in Other Liabilities | 14915479 | 74990229 | (5515525) |
| Increase / (Decrease) in Short Term Provisions | (12026246) | 44836031 | 5962814 |
| | **79120601** | **(177842068)** | **(9229945)** |
| | **487462530** | **273032581** | **581080435** |
| Direct Taxes Paid (Net of Refunds) | (16160616) | (86972694) | (80862957) |
| **Net Cash Generated From Operations** | **471301914** | **186059887** | **500217478** |
| | | | |
| **(B) Cash flow from Investing activities** | | | |
| Purchase of Property, Plant and Equipment (including WIP & Pre-operative Expenses) | (2423986828) | (1123152689) | (425271358) |
| Adjustment for Revaluation Reserve | - | 22100000 | - |
| Sale of Property, Plant and Equipment | 783448 | - | 960688 |
| Purchase of Shares | - | (115000) | - |
| Loans (Given) | 31618262 | (6618262) | (25000000) |
| Changes in Non Current Assets | 409887329 | (607628460) | (188185694) |
| **Net Cash Generated From Investing Activities** | **(1981697789)** | **(1715414411)** | **(637496364)** |

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| **(C) Cash Flow From Financing Activities** | | | |
| Money received against warrant | - | - | (50000000) |
| Issue of share capital | - | 2138720 | 3174600 |
| Securities premium | - | 198090320 | 196825200 |
| Increase / (Decrease) in Long term borrowings | 1586520922 | 1413302251 | 57778714 |
| Increase / (Decrease) in Short term borrowings | 53278744 | 61665765 | 11187665 |
| Interest and Finance cost | (120443123) | (135904151) | (87023507) |
| Dividend Paid (Including Tax On Dividend) | (9000256) | (9000256) | (8729941) |
| **Net Cash Generated From Financing Activities** | **1510356287** | **1530292649** | **123212731** |
| **Net Increase In Cash & Cash Equivalents** | **(39588)** | **938125** | **(14066155)** |
| Cash & Cash Equivalents At | | | |
| **Opening** | **6589824** | **5651699** | **19717854** |
| **Closing** | **6550236** | **6589824** | **5651699** |
| Cash & Cash Equivalent as per above comprises of the following: | | | |
| Cash & Cash Equivalent (Refer Note No.9) | 6550236 | 6589824 | 5651699 |

## GENERAL INFORMATION

Our Company was incorporated as '*Rushil Décor Private Limited*' on May 24, 1993 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated November 19, 2007 our Company was converted into a public limited company and subsequently, the name of our Company was changed to 'Rushil Décor Limited' and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The corporate identification number of our Company is L25209GJ1993PLC019532. For details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 135 of this Draft Letter of Offer.

**Registered Office of our Company**

**Rushil Décor Limited**
S. No. 125, Near Kalyanpura Patia,
Gandhinagar Mansa Road, Kalol,
Village Itla, Gandhinagar – 382 845,
Gujarat, India.
**Telephone:** +91 +91 98 2543 8039
**Facsimile:** +91 79 6140 0401
**E-mail:** info@rushil.com
**Website:** www.rushil.com
**Registration Number:** 019532
**CIN:** L25209GJ1993PLC019532

**Corporate Office of our Company**

Rushil House, Near Neelkanth Green Bungalow,
Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380 058, Gujarat, India
**Telephone:** +91 79 6140 0400
**Facsimile:** +91 79 6140 0401
**E-mail:** ipo@rushil.com

**Registrar of Companies**

Our Company is registered with the Registrar of Companies, Gujarat situated at the following address:

**Registrar of Companies, Gujarat**
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013,
Gujarat, India.
**Telephone:** +91 79 2743 8531
**Facsimile:** +91 79 2743 8371
**E-mail:** roc.ahmedabad@mca.gov.in

**Board of Directors of our Company**

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

| Name | Designation | DIN | Address |
|---|---|---|---|
| Ghanshyambhai Ambalal Thakkar | Chairman and Whole-time Director | 00208843 | 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India |
| Krupesh Ghanshyambhai Thakkar | Managing Director | 01059666 | 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India |

| Name | Designation | DIN | Address |
|---|---|---|---|
| Ramaniklal Tejabhai Kansagara | Whole-time Director | 08341541 | F-204, Mangalmurti Apartment, Near Siddhivinayak Bunglows, Pethapur, Gandhinagar – 382 610, Gujarat, India. |
| Rohitbhai Bhailalbhai Thakkar | Independent Director | 06538323 | 1717, Bharat Chowk, Kapdiwad, Raipur, Ahmedabad - 380 001, Gujarat, India. |
| Shankar Prasad Bhagat | Independent Director | 01359807 | A-9, Sharin Park, Bodakdev Ahmedabad-380 054, Gujarat, India. |
| Archee Darshanbhai Thakkar | Additional (Independent) Director | 08603730 | B-82, Radhika Bunglows, Near Cadila Bridge, Ghodasar, Ahmedabad- 380 050, Gujarat, India. |

For detailed profile of our Directors, please refer to the chapter titled "*Our Management*" on page 139 of the Draft Letter of Offer.

**Chief Financial Officer**

Vipulkumar Shantilal Vora, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Rushil House, Near Neelkanth Green Bungalow,
Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380 058, Gujarat, India
**Telephone:** +91 91 79 6140 0400
**E-mail:** vipul@rushil.com

**Company Secretary and Compliance Officer**

Hasmukh Kanubhai Modi, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Rushil House, Near Neelkanth Green Bungalow,
Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380 058, Gujarat, India
**Telephone:** +91 91 79 6140 0400
**E-mail:** ipo@rushil.com

**Details of Key Intermediaries pertaining to this Issue of our Company:**

**Lead Manager to the Issue**

**Saffron Capital Advisors Private Limited**
605, Center Point, 6th floor,
Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.
**Telephone**: +91 22 4082 0914/915
**Facsimile:** +91 22 4082 0999
**E-mail:** rights.issue@saffronadvisor.com
**Website:** www.saffronadvisor.com
**Investor grievance:** investorgrievance@saffronadvisor.com
**Contact Person:** Amit Wagle / Gaurav Khandelwal
**SEBI Registration Number:** INM 000011211
**Validity of Registration:** Permanent

**Registrar to the Issue**

**Bigshare Services Private Limited**
1st floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),

Mumbai- 400 059, Maharashtra, India.
**Telephone:** +91 22 6263 8200
**Facsimile:** +91 22 6263 8299
**E-mail:** rightsissue@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact person:** Arvind Tandel
**Investor grievance:** investor@bigshareonline.com
**SEBI Registration No:** INR000001385
**Validity of Registration:** Permanent

**Legal Advisor to the Issue**

**M/s. Crawford Bayley & Co.**
4th Floor, State Bank Buildings
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 023,
Maharashtra, India
**Telephone:** +91 22 2266 3353
**Facsimile:** +91 22 2266 3978
**Email:** sanjay.asher@crawfordbayley.com
**Contact Person: S**anjay Asher

**Statutory and Peer Review Auditor of our Company**

**M/s. Parikh & Majmudar,**
Chartered Accountants
B-303, GCP Business Center,
Opp. Memnagar Fire Station,
Near Vijay Cross Road,
Ahmedabad- 380 009,
Gujarat, India
**Telephone**: +91 79 2640 1701 /02/03
**Email:** audit@smajmudar.com
**Contact Person**: Dr. Hiten Parikh
**Membership No.:** 040230
**Firm Registration No**.: 107525W
**Peer Review Certificate No.:** 010185

**Bankers to our Company**

**Axis Bank Limited**
4th floor, Shivalik Ishan,
Ambavadi, Ahmedabad- 380 006
Gujarat, India.
**Telephone**: 079 6699 5241
**Email:** niraj.soyantar@axisbank.com
**Website:** www.axisbank.com
**Contact Person**: Niraj Soyantar

**Bank of Baroda**
Kalol, M.G Road, Kalol Branch (N.G.),
Gandhinagar – 382 721, Gujarat, India.
**Telephone**: 0276 4221 212 /717
**Email:** kalol@bankofbaroda.com
**Website:** www.bankofbaroda.com

**Bankers to the Issue/ Refund Bank**

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

**Inter-se Allocation of Responsibilities**

Saffron Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

**Investor grievances**

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or B-WAP.

**Designated Intermediaries**

*Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

**Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

M/s. Parikh & Majmudar, Chartered Accountants, have given their consent to include their name as Statutory Auditors of the Company in this Draft letter of Offer and as an "expert" defined under section 2(38) of the Companies Act in respect of (i) the examination report dated August 08, 2020 on the Restated Financial Information, included in this Draft Letter of Offer and (ii) their report dated August 08, 2020 on Statement of special tax benefits available to our Company and its shareholders, which have been included in this Draft Letter of Offer, and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "expert" and consent thereof does not represent an "expert" within the meaning under the Securities Act.

**Issue Schedule**

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

| Event | Indicative Date |
|---|---|
| Issue Opening Date | [●] |
| Last Date for request for Split Application Forms | [●] |
| Issue Closing Date* | [●] |
| Date of Allotment (on or about) | [●] |
| Date of credit (on or about) | [●] |
| Date of listing (on or about) | [●] |

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

**Book Building Process**

As this is a Rights Issue, the Issue will not be made through the book building process.

**Credit Rating**

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

**Grading of the Issue**

As this is a Rights Issue, grading of the Issue is not required to be obtained.

**Debenture Trustees**

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

**Monitoring Agency**

As the net proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

**Appraising Entity**

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

**Filing**

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from ten crores to twenty-five crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer will be filed with the Stock Exchanges and will not be filed with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

**Changes in Auditors during the last three years**

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Letter of Offer.

**Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

**Listing on the Stock Exchanges**

The Equity Shares of our Company are listed and traded on the NSE and BSE.

**Underwriting Agreement**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

**Minimum Subscription**

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. However, SEBI vide its circular dated April 21, 2020 bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 has relaxed the requirement of minimum subscription and has reduced the threshold of subscription from 90% to 75% of the Issue. Further, as per the said circular if the Issue is subscribed between 75% to 90%, Issue will be considered successful subject to the condition that out of the funds raised at least 75% of the Issue size shall be utilized for the objects of the Issue other than general corporate purpose. The relaxation is subject to the condition that this Issue opens before March 31, 2021.

If our Company does not receive the minimum subscription of at least 75% of the Issue, or the subscription level falls below 75%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Issue Related Information*" on page 234.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

| S. No. | Particulars | Amount (in ₹ Lakhs, except share data) | |
|---|---|---|---|
| | | Aggregate value at nominal value | Aggregate value at Issue Price |
| **A.** | **Authorised Share Capital** | | |
| | 2,00,00,000 Equity Shares of face value of ₹ 10 each | 2,000 | |
| **B.** | **Issued, Subscribed and Paid-Up Share Capital before the Issue** | | |
| | 1,49,31,332 Equity Shares of face value of ₹ 10 each | 1,493.13 | |
| **C.** | **Present Issue in terms of this Draft Letter of Offer** | | |
| | Up to [●] Equity Shares of ₹ 10/- each | [●] | [●] |
| **D.** | **Issued, Subscribed and Paid-Up Share Capital after the Issue** | | |
| | [●] Equity Shares of face value of ₹10 each | [●] | |
| **E.** | **Securities Premium Account** | | |
| | Before the Issue | 7,982.5 | |
| | After the Issue[(2)] | [●] | |

*[(1)]The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on November 11, 2019.*

*(2) The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue. However, the Eligible Equity Shareholders will be required to pay [●]% of the Issue Price at the time of payment of Application Money, [●]% of the Issue Price shall be paid on or before the date of First Call, [●]% of the Issue Price shall be paid on or before the date of Second Call and [●]% of the Issue Price shall be paid on or before the date of Third and Final Call..*

### Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was ₹ 1,00,000 consisting of 10,000 Equity Shares of ₹ 10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

| Date of Shareholder's Meeting | Particulars of Change | | AGM/EGM |
|---|---|---|---|
| | From | To | |
| October 30, 1993 | ₹ 1,00,000 consisting of 10,000 Equity Shares of ₹ 10 each | ₹ 10,00,000 consisting of 95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | EGM |
| January 12, 1998 | ₹ 10,00,000 consisting of 95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | ₹ 20,00,000 consisting of 1,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | EGM |
| December 15, 2006 | ₹ 20,00,000 consisting of 1,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | ₹ 1,00,00,000 consisting of 9,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | EGM |
| March 08, 2007 | ₹ 1,00,00,000 consisting of 9,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | ₹ 8,00,00,000 consisting of 79,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | EGM |
| December 05, 2007 | ₹ 8,00,00,000 consisting of 79,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | ₹ 20,00,00,000 consisting of 1,99,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of | EGM |

| Date of Shareholder's Meeting | Particulars of Change | | AGM/EGM |
|---|---|---|---|
| | From | To | |
| | | ₹ 10 each. | |
| December 26, 2007 | ₹ 20,00,00,000 consisting of 1,99,95,000 Equity Shares of ₹ 10 each and ₹ 50,000 consisting of 5,000 7% Redeemable Preference Shares of ₹ 10 each. | ₹ 20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹ 10 each.# | |

*#The Company vide a special resolution dated December 26, 2007 passed by the Shareholders redeemed 5,000 7% Redeemable Preference Shares out of the Capital Redemption Reserve Account created for the redemption of such preference shares.*

**NOTES TO CAPITAL STRUCTURE**

1. **History of Share capital of our Company**

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

| Date of Allotment | No. of Equity Shares | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative paid -up Capital (₹) |
|---|---|---|---|---|---|---|---|
| On Incorporation* | 20 | 10 | 10 | Cash | Subscription to Memorandum of Association(1) | 20 | 200 |
| June 29, 1993 | 9,980 | 10 | 10 | Cash | Further Allotment(2) | 10,000 | 10,00,000 |
| November 26, 1993 | 85,000 | 10 | 10 | Cash | Further Allotment(3) | 95,000 | 9,50,000 |
| January 12, 1998 | 1,00,000 | 10 | 10 | Cash | Further Allotment (4) | 1,95,000 | 19,50,000 |
| March 08, 2007@ | 6,70,000 | 10 | - | Consideration other than Cash | Allotment pursuant to scheme of arrangement (5) | 8,65,000 | 86,50,000 |
| March 08, 2007 | 11,00,000 | 10 | 10 | Cash | Further Allotment(6) | 19,65,000 | 1,96,50,000 |
| March 27, 2007 | 59,91,250 | 10 | - | Consideration other than Cash | Bonus Issue(7) | 79,56,250 | 7,95,62,500 |
| September 02, 2008 | 8,00,000 | 10 | 50 | Cash | Preferential Allotment(8) | 87,56,250 | 8,75,62,500 |
| July 02, 2011 | 56,43,750 | 10 | 72 | Cash | Initial Public Offer(9) | 1,44,00,000 | 14,40,00,000 |
| May 17, 2017 | 80,000 | 10 | 630 | Cash | Allotment pursuant to conversion of warrant(10) | 1,44,80,000 | 14,48,00,000 |
| May 29, 2017 | 26,666 | 10 | 630 | Cash | Allotment pursuant to conversion of warrant(11) | 1,45,06,666 | 14,50,66,660 |
| November 25, 2017 | 1,05,820 | 10 | 630 | Cash | Allotment pursuant to conversion of warrant(12) | 1,46,12,486 | 14,61,24,860 |
| February 15, 2018 | 1,04,974 | 10 | 630 | Cash | Allotment pursuant to conversion of warrant(13) | 1,47,17,460 | 14,71,74,600 |
| April 28, 2018 | 1,90,372 | 10 | 945 | Cash | Preferential Allotment(14) | 1,49,07,832 | 14,90,78,320 |
| July 19, 2018 | 23,500 | 10 | 865 | Cash | Preferential Allotment(15) | 1,49,31,332 | 14,93,13,320 |

**Date of incorporation of our Company is May 24, 1993.*

*@The Hon'ble High Court of Gujarat at Ahmedabad, vide its order dated January 23, 2007 approved the amalgamation of Rushil High Pressure Laminate Private Limited ("**RHPL**") and Mica Rushil Private Limited ("**MRPL**") with our Company Allotment of Equity Shares made to shareholders of RHPL and MRPL whose names appeared on the register of members of such companies pursuant to the scheme of arrangement sanctioned by the Hon'ble High Court.*

(1) *Subscription to the MOA for the total of 20 shares by Krupesh Ghanshyambhai Thakkar for 10 Equity Shares and Ambalal Thakkar for 10 Equity Shares.*

(2) *Further Allotment of a total of 9,980 Equity Shares to Ambalal D. Thakkar (7,990), Ambalal D. Thakkar HUF (500), Dinuben G. Thakkar (500) and Krupeshbhai G. Thakkar (990).*

(3) *Further Allotment of a total of 85,000 Equity Shares to Ghanshyambhai Ambalal Thakkar (54,500), Ghanshyambhai Ambalal Thakkar (HUF) (5,500), Krupeshbhai G. Thakkar (2,000), d) Krupesh Ghanshyambhai Thakkar (5,000) and Krupaben K. Thakkar (17,500) and Saraswatiben Thakkar (500).*

(4) *Further Allotment of a total of 1,00,000 Equity Shares to Ghanshyambhai Ambalal Thakkar (10,000), Krupeshbhai Thakkar (HUF) (30,000), Dinuben G. Thakkar (50,000) and Sarawatiben Thakkar (10,000).*

(5) *Allotment of a total of 4,10,000 Equity Shares, pursuant to a scheme of arrangement entered into between our Company, RHPL and MRPL in the ratio of 26 Equity Shares for every fully paid up 50 Equity Shares held by the shareholders in RHPL and 41 Equity Shares for every fully paid up 50 Equity Shares held by the shareholders in MICA to Ghanshyambhai Ambalal Thakkar (89,790), Umesh H Thakkar (26,240), Ghanshyambhai Ambalal Thakkar (HUF) (8,200), Dinuben G. Thakkar (8,200), Sarawatiben Thakkar (41,000), Krupa K Thakkar (16,400), Krupesh G Thakkar (91,840), Ashok H Thakkar (16,400), Ashok H Thakkar HUF (55,350), Harhsben A Thakkar (8,200), Sushma U Thakkar (8,200), Ghanshyambhai Ambalal Thakkar and Krupesh G Thakkar (82), Ghanshyambhai Ambalal Thakkar, Umesh H Thakkar HUF and VV & Co (82), Ghanshyambhai Ambalal Thakkar and Maltiben P Thakkar (82), Ghanshyambhai Ambalal Thakkar and PS Thakkar (82), Ghanshyambhai Ambalal Thakkar and Bhavani Trading Company (82), Umesh H Thakkar and K.V. Nagori and Vipin Nagori (82), Umesh H Thakkar and Ajay Vinod Shah (82), Umesh H Thakkar and Pari Manilal Maganlal and Pari Kashavlal Shivlal (82), Umesh H Thakkar and Divya Atul Rajani (82), Umesh H Thakkar and Godavriben K Thakkar (82), Umesh H Thakkar and Mehta Jayantilal Kalidas (82), Umesh H Thakkar and Dilipbhai D Thakkar and Pari Apurva Bharatkumar and Sudhakar Shah (82), Umesh H Thakkar and Natvarlal Zinabhai Thakkar and Usha Sudhakar S Shah (82), Umesh H Thakkar and Hemendra Kumar & Bros. (82), Umesh H Thakkar and Bipin Shivlal and Pari Keshavlal and Suryakant H parikh (82), Umesh H Thakkar HUF (38.950), Raja A Thakkar (1,560), Krupesh G Thakkar (2,600), Umesh H Thakkar HUF (92,430), Krupa K. Thakkar (63,700), Ashok H Thakkar HUF (88,010), Ghanshyambhai A Thakkar (8,580) and Krupesh G. Thakkar (3,120).*

(6) *Further Allotment of a total of 11,00,000 Equity Shares to Ghanshyambhai A Thakkar (1,73,790), Ghanshyambhai Ambalal Thakkar HUF (81,480), Krupesh Ghanshyambhai Thakkar (80,650), Krupesh Ghanshyambhai Thakkar HUF (3,08,220), Krupesh Ghanshyambhai Thakkar on behalf of M/s. Rushil International (4,55,860).*

(7) *Bonus Issue of 59,91,250 Equity Shares in the ratio of 3.05 Equity Shares for every 01 Equity Share held to Ambalal D Thakkar (24,392), Ambalal D. Thakkar HUF (1,524), Ghanshyambhai A Thakkar (9,23,414), Ghanshyambhai Ambalal Thakkar HUF (2,90,202), Dinuben G. Thakkar (1,78,975), Krupesh G. Thakkar (5,52,506), Krupesh Ghanshyambhai Thakkar HUF (10,46,473), Krupa K Thakkar (2,97,580), Sarawatiben Thakkar (1,57,024), Ashok H Thakkar HUF (4,88,630), Umesh H Thakkar HUF (4,52,104), Raja A Thakkar (4,756), Umesh H Thakkar (80,003), Ashok H Thakkar (50,003), Harshaben A. Thakkar (25,002), Sushma U Thakkar (25002), Ghanshyambhai Ambalal Thakkar and Krupesh G Thakkar (250), Ghanshyambhai Ambalal Thakkar, Umesh H Thakkar HUF and VV & Co (250), Ghanshyambhai Ambalal Thakkar and Maltiben P Thakkar (250), Ghanshyambhai Ambalal Thakkar and PS Thakkar (250), Ghanshyambhai Ambalal Thakkar and Bhavani Trading Company (250), Umesh H Thakkar and K.V. Nagori and Vipin Nagori (250), Umesh H Thakkar and Ajay Vinod Shah (250), Umesh H Thakkar and Pari Manilal Maganlal and Pari Kashavlal Shivlal (250), Umesh H Thakkar and Divya Atul Rajani (250), Umesh H Thakkar and Godavriben K Thakkar (250), Umesh H Thakkar and Mehta Jayantilal Kalidas (250), Umesh H Thakkar and Dilipbhai D Thakkar and Pari Apurva Bharatkumar and Sudhakar Shah (250), Umesh H Thakkar and Natvarlal Zinabhai Thakkar and Usha Sudhakar S Shah (250), Umesh H Thakkar and Hemendra Kumar & Bros. (250), Umesh H Thakkar and Bipin Shivlal and Pari Keshavlal and Suryakant H parikh (250) and Krupesh Ghanshyambhai Thakkar on behalf of M/s. Rushil International (13,89,910).*

(8) *Preferential Allotment of a total of 8,00,000 Equity Shares to Ghanshyambhai A Thakkar (4,00,000) and Krupesh G. Thakkar (4,00,000).*

(9) *Initial Public Offer of 56,43,750 Equity Shares to:*

| ***S. No.*** | ***Shareholders*** | ***Number of Equity Shares*** |
|---|---|---|
| *1.* | *Promoter and Promoter Group* | *2,43,750* |
| *2.* | *NRIs* | *696* |
| *3.* | *FII* | *6,25,050* |
| *4.* | *Body Corporates* | *7,22,160* |
| *5.* | *Public* | *40,52,094* |

(10) *Preferential Allotment of a total of 80,000 Equity Shares to Suryakant Hiralal Parikh representing family fund, a partnership firm.*

(11) *Preferential Allotment of a total of 26,666 Equity Shares to Suryakant Hiralal Parikh representing family fund, a partnership firm.*

*(12) Preferential Allotment of a total of 1,05,820 Equity Shares to Suryakant Hiralal Parikh representing family fund, a partnership firm.*

*(13) Preferential Allotment of a total of 1,04,974 Equity Shares to Suryakant Hiralal Parikh representing family fund, a partnership firm.*

*(14) Preferential Allotment of a total of 1,90,372 Equity Shares to Manish Shailendra Srivastava (84,550) and Rakesh Bhagwan Das Arora (1,05,822).*

*(15) Preferential Allotment of a total of 23,500 Equity Shares to Forum Nilesh Parekh.*

2. **Preference Share capital history of our Company**

Our Company does not have any preference share capital as on the date of this Draft Letter of Offer. However, our Company has issued and redeemed preference shares in the past, the details of which are set forth below:

| Date of Allotment | No. of Equity Shares | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative paid -up Capital (₹) |
|---|---|---|---|---|---|---|---|
| November 26, 1993 | 5,000 | 10 | 10 | Issue of 7% Redeemable Preference Shares[(1)] | Cash | 5,000 | 50,000 |
| December 26, 2007 | (5,000) | 10 | - | Redemption of 7% Redeemable Preference Shares* | - | - | - |

*(1)Issue of 5,000 7% redeemable preference shares to Ghanshyambhai Ambalal Thakkar (2,000) and Krupa Krupesh Thakkar (3,000)*

** In the year October 30, 1993, our Company increased its authorized share capital by way of 5,000 preference shares at face value of ₹ 10 each. However on December 26, 2007 the Preference Shares were converted into Equity shares as a Result our Authorised Preference Share Capital became a part of our Authorised Equity Share Capital.*

3. **Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:**

Except as set out below we have not issued Equity Shares for consideration other than cash:

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price | Nature of allotment | Benefit accrued to our Company | Source out of which Bonus Shares Issued |
|---|---|---|---|---|---|---|
| March 08, 2007 | 6,70,000 | 10 | - | Allotment of Equity Shares made to the shareholders of Rushil High Pressure Laminate Private Limited ("**RHPL**") and Mica Rushil Private Limited ("**MRPL**"), as consideration towards the amalgamation of the companies with our Company, pursuant to the scheme of amalgamation sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad, *vide* its order dated January 23, 2007.[(1)] | Pursuant to the scheme of amalgamation, RHPL and MRPL in their entirety were transferred and vested in our Company as a going concern. | - |
| March 27, 2007 | 59,91,250 | 10 | - | Bonus issue in the ratio of 1:3.05 authorised by our Board, pursuant to a resolution passed at its meeting held on March 16, 2007 and by our Shareholders pursuant to a resolution passed at the EGM held on March 26, 2007.[(2)] | Strengthening the capital base of our Company and improvement in overall ratios | Bonus Issued out of General Reserves |

*(1) For list of allottees see note (5) of paragraph titled "History of Share capital of our Company" mentioned above.*

*(2) For list of allottees see note (7) of paragraph titled "History of Share capital of our Company" mentioned above.*

*a)* As on date of this Draft Letter of Offer, our Company has not issued shares out of our revaluation reserve.

4. Our Company has issued and allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956. The Hon'ble High Court of Gujarat at Ahmedabad, vide its order dated January 23, 2007 approved the amalgamation of Rushil High Pressure Laminate Private Limited ("**RHPL**") and Mica Rushil Private Limited ("**MRPL**") (collectively referred to as the "**Transferor Companies**") with our Company Allotment of Equity Shares made to shareholders of RHPL and MRPL whose names appeared on the register of members of such companies pursuant to the scheme of arrangement sanctioned by the Hon'ble High Court. For details of the shares allotted, please refer to note (5) of the paragraph titled "*History of Share capital of our Company*" at page 76. The salient features of the Scheme were are set forth below:

   a) The Transferor Companies, in their entirety, were transferred to and vested in our Company as a going concern.

   b) All assets, properties, rights, licenses, sanctions, consents, authorization, approvals and permissions (statutory or otherwise), liabilities, debts receivables, etc. of the Transferor Companies stood transferred to our Company.

   c) All the employees of the Transferor Companies were to be considered as the employees of our Company in such position, rank and designation as may be determined by us. They were also be liable to continue on such terms and conditions of their employment which should have been not be less favorable than those which were applicable to them during their employment with the Transferor Companies.

   d) As consideration for the amalgamation of the Transferor Companies with our Company, pursuant to the Scheme, members of the Transferor Companies whose names appeared on the register of members of such companies, on March 08, 2007 were allotted:

      - 26 (Twenty Six) Equity Shares of ₹ 10 each in the share capital of the our Company, credited as fully paid up for every 50 (Fifty) fully paid up Equity Shares of ₹ 10 each held by such members in the share capital of RHPL.

      - 41 (Forty One) Equity Shares of ₹10 each in the share capital of our Company credited as fully paid up for every 50 (Fifty) fully paid up Equity Shares of ₹ 10 each held by such members in the share capital of MRPL.

   e) Pursuant to the Scheme coming in effect, the Transferor Companies were dissolved without being wound up.

5. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

6. Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Letter of Offer.

7. **Shareholding Pattern of our Company**

The table below represents the shareholding pattern of our Company as on the date of this Draft Letter of Offer:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No. of fully paid-up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying depository receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+ (++VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | No. of locked-in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoter and Promoter Group | 07 | 79,49,743 | - | - | 79,49,743 | 53.24 | 79,49,743 | 79,49,743 | 53.24 | - | - | - | - | 19,85,925 | 24.98 | 79,49,743 |
| (B) | Public | 4,177 | 69,81,589 | - | - | 69,81,589 | 46.76 | 69,81,589 | 69,81,589 | 46.76 | - | - | - | - | - | - | 69,81,584 |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying depository receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | | 4,184 | 1,49,31,332 | - | - | 1,49,31,332 | 100.00 | 1,49,31,332 | 1,49,31,332 | 100.00 | - | - | - | - | 19,85,925 | 24.98 | 1,49,31,327 |

**i. Other details of shareholding of our Company:**

a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 75% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Letter of Offer:

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Rushil International | 18,45,770 | 12.36 |
| 3. | Krupesh Ghanshyambhai Thakkar | 19,85,925 | 13.30 |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 |
| 5. | Elara India Opportunities Fund Limited | 7,24,700 | 4.85 |
| 6. | Anand Rathi Global Finance Limited | 6,75,000 | 4.52 |
| 7. | Tirthankar Shares and Services Private Limited | 5,04,100 | 3.38 |
| 8. | Nomura Singapore Limited | 4,62,912 | 3.10 |
| 9. | Bhavik Suryakant Parikh representing Family Fund, Partnership Firm | 3,16,260 | 2.12 |
| 10 | Krupa Krupesh Thakkar | 2,82,415 | 1.89 |
| 11 | Aspire Emerging Fund | 2,70,995 | 1.81 |
| 12 | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 |
| 13 | Davos International Fund | 2,40,500 | 1.61 |
| 14 | Sumant Kapur | 2,16,187 | 1.45 |
| 15 | Shriram Insight Share Brokers Ltd | 3,74,613 | 2.55 |
| 16 | Rushil Thakkar | 2,08,524 | 1.40 |
| 17 | Rakesh Arora | 1,88,292 | 1.26 |
| | **Total** | **1,19,23,302** | **79.84** |

b) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Letter of Offer are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Letter of Offer:

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Rushil International | 18,45,770 | 12.36 |
| 3. | Krupesh Ghanshyambhai Thakkar | 15,42,484 | 10.33 |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 |
| 5. | Elara India Opportunities Fund Limited | 7,10,200 | 4.76 |
| 6. | IL and FS Securities Services Limited | 5,87,372 | 3.93 |
| 7. | Tirthankar Shares and Services Private Limited | 5,04,100 | 3.38 |
| 8. | Aspire Emerging Fund | 4,78,500 | 3.20 |
| 9. | Ghanshyamnbhai Ambalal Thakkar HUF | 3,85,382 | 2.58 |
| 10. | Bhavik Suryakant Parikh representing Family Fund, Partnership Firm | 3,17,460 | 2.13 |
| 11. | Shriram Insight Share Brokers Ltd | 3,06,962 | 2.06 |
| 12. | Krupa Krupesh Thakkar | 2,82,415 | 1.89 |
| 13. | Shriram Credit Company Ltd | 2,74,445 | 1.84 |

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 14. | Giraben Atulbhai Shah | 2,53,824 | 1.70 |
| 15. | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 |
| 16. | Davos International Fund | 2,42,000 | 1.62 |
| 17. | Rushil Thakkar | 2,08,524 | 1.40 |
| 18. | Vasupujya Traders Private Limited | 1,92,951 | 1.29 |
| 19. | Nomura Singapore Limited | 1,65,000 | 1.11 |
| | **Total** | **1,19,24,498** | **79.87** |

d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Letter of Offer:

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Rushil International | 18,45,770 | 12.36 |
| 3. | Krupesh Ghanshyambhai Thakkar | 19,27,866 | 12.90 |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 |
| 5. | Elara India Opportunities Fund Limited | 7,77,700 | 5.21 |
| 6. | Anand Rathi Global Finance Limited | 6,75,000 | 4.52 |
| 7. | Nomura Singapore Limited | 5,27,912 | 3.54 |
| 8. | Tirthankar Shares and Services Private Limited | 5,04,100 | 3.38 |
| 9. | Aspire Emerging Fund | 4,31,987 | 2.89 |
| 10. | Shriram Insight Share Brokers Ltd | 5,42,609 | 3.63 |
| 11. | Bhavik Suryakant Parikh representing Family Fund, Partnership Firm | 3,16,260 | 2.12 |
| 12. | Krupa Krupesh Thakkar | 2,82,415 | 1.89 |
| 13. | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 |
| 14. | Davos International Fund | 2,40,500 | 1.61 |
| 15. | Shriram Credit Company Ltd | 2,38,840 | 1.60 |
| 16. | Sumant Kapur | 2,16,187 | 1.45 |
| 17. | Rushil Thakkar | 2,08,524 | 1.40 |
| | **Total** | **1,23,62,779** | **82.79** |

e) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten days prior to the date of filing of this Draft Letter of Offer:

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Rushil International | 18,45,770 | 12.36 |
| 3. | Krupesh Ghanshyambhai Thakkar | 19,85,925 | 13.30 |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 |
| 5. | Elara India Opportunities Fund Limited | 7,24,700 | 4.85 |
| 6. | Anand Rathi Global Finance Limited | 6,75,000 | 4.52 |
| 7. | Tirthankar Shares and Services Private Limited | 5,04,100 | 3.38 |
| 8. | Nomura Singapore Limited | 4,62,912 | 3.10 |
| 9. | Aspire Emerging Fund | 3,70,987 | 2.48 |
| 10. | Bhavik Suryakant Parikh representing Family Fund, Partnership Firm | 3,16,260 | 2.12 |
| 11. | Krupa Krupesh Thakkar | 2,82,415 | 1.89 |
| 12. | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 |
| 13. | Davos International Fund | 2,40,500 | 1.61 |

| Sr. No. | Name of the Shareholders | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---|---|---|---|
| 14. | Shriram Insight Share Brokers Ltd | 3,79,020 | 2.53 |
| 15. | Sumant Kapur | 2,16,187 | 1.45 |
| 16. | Rushil Thakkar | 2,08,524 | 1.40 |
| 17. | Rakesh Arora | 1,88,292 | 1.26 |
| | **Total** | **1,20,27,701** | **80.54** |

f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Letter of Offer.

8. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) 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 whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

9. **Details of Build-up of our Promoter's shareholding:**

As on the date of this Draft Letter of Offer, the Promoters of our Company, hold 74,94,703 Equity Shares, equivalent to 50.19% of the issued, subscribed and paid-up Equity Share capital of our Company. Our Promoter, Krupesh Ghanshyambhai Thakkar has pledged 13.30% of the equity share capital held by him amounting to 19,85,925 Equity Shares on July 08, 2020 in favour of our lender, Bank of Baroda for securing the enhanced facilities availed by our Company *vide* loan-cum hypothecation agreement dated May 23, 2020. For further details, please refer to the chapter titled "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

Set forth below are the details of the build – up of our Promoter' shareholding in our Company since incorporation:

*a) Ghanshyambhai Ambalal Thakkar:*

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| November 26, 1993 | Further Allotment | 54,500 | 10 | 10 | Cash | 54,500 | 0.37 | [●] |
| January 12, 1998 | Further Allotment | 10,000 | 10 | 10 | Cash | 64,500 | 0.43 | [●] |
| March 31, 2005 | Transfer (Sale) | (33,800) | 10 | 10 | Cash | 30,700 | 0.21 | [●] |
| March 08, 2007 | Allotment pursuant to Scheme of Amalgamation | 98,370 | 10 | - | Consideration other than Cash | 1,29,070 | 0.86 | [●] |
| March 08, 2007 | Further Allotment | 1,73,790 | 10 | 10 | Cash | 3,02,860 | 2.03 | [●] |
| March 27, 2007 | Bonus Issue | 9,23,414 | 10 | - | Consideration other than Cash | 12,26,274 | 8.21 | [●] |
| March 30, 2007 | Transfer (Purchase) | 50,288 | 10 | 10 | Cash | 12,76,562 | 8.55 | [●] |

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| March 29, 2008 | Transfer (Purchase) | 99,000 | 10 | 50 | Cash | 13,75,562 | 9.21 | [●] |
| March 31, 2008 | Transfer (Purchase) | 15,302 | 10 | 50 | Cash | 13,90,864 | 9.32 | [●] |
| April 01, 2008 | Transfer (Purchase) | 9,22,885 | 10 | 12.3 | Cash | 23,13,749 | 15.50 | [●] |
| May 25, 2008 | Transfer (Purchase) | 90,173 | 10 | 40 | Cash | 24,03,922 | 16.10 | [●] |
| September 02, 2008 | Preferential Allotment | 4,00,000 | 10 | 50 | Cash | 28,03,922 | 18.78 | [●] |
| March 03. 2009 | Transmission from Ambalal Thakkar | 32,392 | 10 | - | Consideration other than Cash | 28,36,314 | 19.00 | [●] |
| March 30, 2009 | Transfer (Purchase) | (9,22,885) | 10 | 12.3 | Cash | 19,13,429 | 12.81 | [●] |
| July 21, 2009 | Transfer (Purchase) | 1,660 | 10 | 50 | Cash | 19,15,089 | 12.83 | [●] |
| July 02, 2011 | Allotment pursuant to the Initial Public Offer | 87,000 | 10 | 72 | Cash | 20,02,089 | 13.41 | [●] |
| July 29, 2011 | Market Purchase | 2,024 | 10 | 122 | Cash | 20,04,113 | 13.42 | [●] |
| June 04, 2013 | Market Purchase | 3,008 | 10 | 35.84 | Cash | 20,07,121 | 13.44 | [●] |
| June 10, 2013 | Market Purchase | 5,561 | 10 | 34.94 | Cash | 20,12,682 | 13.48 | [●] |
| June 17, 2013 | Market Purchase | 4,884 | 10 | 27.98 | Cash | 20,17,566 | 13.51 | [●] |
| June 20, 2013 | Market Purchase | 10 | 10 | 27.55 | Cash | 20,17,576 | 13.51 | [●] |
| June 21, 2013 | Market Purchase | 2,241 | 10 | 27.39 | Cash | 20,19,817 | 13.53 | [●] |
| June 25, 2013 | Market Purchase | 4,133 | 10 | 27 | Cash | 20,23,950 | 13.56 | [●] |
| June 27, 2013 | Market Purchase | 2,000 | 10 | 27.18 | Cash | 20,25,950 | 13.57 | [●] |
| July 05, 2016 | Market Sale | (20,050) | 10 | 452.17 | Cash | 20,05,900 | 13.43 | [●] |
| July 20, 2016 | Market Sale | (15,000) | 10 | 421 | Cash | 19,90,900 | 13.33 | [●] |
| | **Total** | **19,90,900** | | | | | **13.33** | [●] |

*b) Krupesh Ghanshyambhai Thakkar:*

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| May 24, 1993 | Subscription to the Memorandum of Association | 10 | 10 | 10 | Cash | 10 | 0.00 | [●] |
| June 29, 1993 | Further Allotment | 990 | 10 | 10 | Cash | 1000 | 0.01 | [●] |
| November 26, 1993 | Further Allotment | 2,000 | 10 | 10 | Cash | 3,000 | 0.02 | [●] |
| March 08, 2007 | Allotment pursuant to Scheme of Amalgamation | 97,560 | 10 | - | Consideration other than Cash | 1,00,560 | 0.67 | [●] |
| March 08, 2007 | Further Allotment | 80,650 | 10 | 10 | Cash | 1,81,210 | 1.21 | [●] |
| March 27, 2007 | Bonus Issue | 5,52,506 | 10 | - | Consideration other than Cash | 7,33,716 | 4.91 | [●] |
| March 30, 2007 | Transfer (Purchase) | 38,627 | 10 | 70 | Cash | 7,72,343 | 5.17 | [●] |
| March 29, 2008 | Transfer (Purchase) | 85,000 | 10 | 50 | Cash | 8,57,343 | 5.74 | [●] |
| March 31, 2008 | Transfer (Purchase) | 22,270 | 10 | 50 | Cash | 8,79,613 | 5.89 | [●] |
| April 01, 2008 | Transfer (Purchase) | 9,22,885 | 10 | 12.3 | Cash | 18,02,498 | 12.07 | [●] |
| April 10, 2008 | Transfer (Purchase) | 8,529 | 10 | 40 | Cash | 18,11,027 | 12.13 | [●] |
| April 30, 2008 | Transfer (Purchase) | 88,675 | 10 | 40 | Cash | 18,99,702 | 12.72 | [●] |
| September 02, 2008 | Preferential Allotment | 4,00,000 | 10 | 50 | Cash | 22,99,702 | 15.40 | [●] |
| March 30, 2009 | Transfer (Sale) | (9,22,885) | 10 | 12.3 | Cash | 13,76,817 | 9.22 | [●] |
| July 02, 2011 | Allotment pursuant to the Initial Public Offer | 1,56,750 | 10 | 72 | Cash | 15,33,567 | 10.27 | [●] |
| June 04, 2013 | Market Purchase | 3,414 | 10 | 35.92 | Cash | 15,36,981 | 10.29 | [●] |
| June 13, 2013 | Market Purchase | 50 | 10 | 30.40 | Cash | 15,37,031 | 10.29 | [●] |
| June 25, 2013 | Market Purchase | 2,388 | 10 | 27.40 | Cash | 15,39,419 | 10.31 | [●] |
| June 26, 2013 | Market Purchase | 2,000 | 10 | 27.17 | Cash | 15,41,419 | 10.32 | [●] |
| June 28, 2013 | Market Purchase | 65 | 10 | 26.94 | Cash | 15,41,484 | 10.32 | [●] |
| July 01, 2013 | Market Purchase | 1,000 | 10 | 27.18 | Cash | 15,42,484 | 10.33 | [●] |
| December 04, 2018 | Transmission due to Partition of Ghanshyambhai Ambalal HUF | 3,85,382 | 10 | - | Consideration other than Cash | 19,27,866 | 12.91 | [●] |

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| August 05, 2019 | Market Purchase | 200 | 10 | 134 | Cash | 19,28,066 | 12.91 | [●] |
| August 05, 2019 | Market Purchase | 171 | 10 | 134 | Cash | 19,28,237 | 12.91 | [●] |
| August 07, 2019 | Market Purchase | 5 | 10 | 145 | Cash | 19,28,242 | 12.91 | [●] |
| August 13, 2019 | Market Purchase | 199 | 10 | 168 | Cash | 19,28,441 | 12.92 | [●] |
| August 13, 2019 | Market Purchase | 2,920 | 10 | 169 | Cash | 19,31,361 | 12.93 | [●] |
| August 16, 2019 | Market Purchase | 3,000 | 10 | 184 | Cash | 19,34,361 | 12.96 | [●] |
| September 09, 2019 | Market Purchase | 1,500 | 10 | 154 | Cash | 19,35,861 | 12.97 | [●] |
| November 15, 2019 | Market Purchase | 7,064 | 10 | 132 | Cash | 19,42,925 | 13.01 | [●] |
| November 15, 2019 | Market Purchase | 15,000 | 10 | 131 | Cash | 19,57,925 | 13.11 | [●] |
| November 21, 2019 | Market Purchase | 3,018 | 10 | 156 | Cash | 19,60,943 | 13.13 | [●] |
| November 21, 2019 | Market Purchase | 16,982 | 10 | 155 | Cash | 19,77,925 | 13.25 | [●] |
| December 04, 2019 | Market Purchase | 310 | 10 | 131 | Cash | 19,78,235 | 13.25 | [●] |
| December 05, 2019 | Market Purchase | 47 | 10 | 131 | Cash | 19,78,282 | 13.25 | [●] |
| December 06, 2019 | Market Purchase | 1,676 | 10 | 131 | Cash | 19,79,958 | 13.26 | [●] |
| December 09, 2019 | Market Purchase | 1,177 | 10 | 131 | Cash | 19,81,135 | 13.27 | [●] |
| December 10, 2019 | Market Purchase | 1,789 | 10 | 131 | Cash | 19,82,924 | 13.28 | [●] |
| December 11, 2019 | Market Purchase | 1,583 | 10 | 131 | Cash | 19,84,507 | 13.29 | [●] |
| December 12, 2019 | Market Purchase | 1,418 | 10 | 131 | Cash | 19,85,925 | 13.30 | [●] |
| | **Total** | **19,85,925** | | | | | **13.30** | [●] |

*c) Krupa Krupesh Thakkar:*

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| November 26, 1993 | Further Allotment | 17,500 | 10 | 10 | Cash | 17,500 | 0.12 | [●] |

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| March 08, 2007 | Allotment pursuant to Scheme of Amalgamation | 80,100 | 10 | - | Consideration other than Cash | 97,600 | 0.65 | [●] |
| March 27, 2007 | Bonus Issue | 2,97,580 | 10 | - | Consideration other than Cash | 3,95,180 | 2.65 | [●] |
| December 10, 2012 | Market Sale | (100) | 10 | 296.13 | Cash | 3,95,080 | 2.65 | [●] |
| June 03, 2013 | Market Purchase | 5,242 | 10 | 34.33 | Cash | 4,00,322 | 2.68 | [●] |
| June 05, 2013 | Market Purchase | 1,984 | 10 | 36.84 | Cash | 4,02,306 | 2.69 | [●] |
| June 07, 2013 | Market Purchase | 219 | 10 | 34.9 | Cash | 4,02,525 | 2.70 | [●] |
| June 13, 2013 | Market Purchase | 805 | 10 | 30.15 | Cash | 4,03,330 | 2.70 | [●] |
| June 17, 2013 | Market Purchase | 60 | 10 | 28.14 | Cash | 4,03,390 | 2.70 | [●] |
| June 21, 2013 | Market Purchase | 1,912 | 10 | 27.47 | Cash | 4,05,302 | 2.71 | [●] |
| June 25, 2013 | Market Purchase | 5,109 | 10 | 27 | Cash | 4,10,411 | 2.75 | [●] |
| July 01, 2013 | Market Sale | (140) | 10 | 50.5 | Cash | 4,10,271 | 2.75 | [●] |
| March 26, 2015 | Market Sale | (2,856) | 10 | 74.22 | Cash | 4,07,415 | 2.73 | [●] |
| May 24, 2016 | Market Sale | (20,000) | 10 | 364.86 | Cash | 3,87,415 | 2.59 | [●] |
| May 25, 2016 | Market Sale | (1,05,000) | 10 | 371.90 | Cash | 2,82,415 | 1.89 | [●] |
| | **Total** | **2,82,415** | | | | | **1.89** | [●] |

*d) M/s. Rushil International:*

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than Cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| March 08, 2007 | Further Allotment | 4,55,860 | 10 | 10 | Cash | 4,55,860 | 3.05 | [●] |
| March 27, 2007 | Bonus Issue | 13,89,910 | 10 | - | Consideration other than cash | 18,45,770 | 12.37 | [●] |
| April 01, 2008 | Transfer (Sale) | (9,22,885) | 10 | 12.30 | Cash | 9,22,885 | 6.18 | [●] |
| April 01, 2008 | Transfer (Sale) | (4,67,025) | 10 | 12.30 | Cash | 4,55,860 | 3.05 | [●] |
| April 01, | Transfer (Sale) | (4,55,860) | 10 | 12.30 | Cash | 0 | 0 | [●] |

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than Cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| 2008 | | | | | | | | |
| March 30, 2009 | Transfer Purchase | 18,45,770 | 10 | 12.30 | Cash | 18,45,770 | 12.37 | [●] |
| | **Total** | **18,45,770** | | | | | **12.37** | [●] |

*e) Krupesh Ghanshyambhai Thakkar HUF:*

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | Cumulative number of Equity Shares | % of pre issue capital | % of post issue capital |
|---|---|---|---|---|---|---|---|---|
| November 26, 1993 | Further Allotment | 5,000 | 10 | 10 | Cash | 5,000 | 0.03 | [●] |
| January 12, 1998 | Further Allotment | 30,000 | 10 | 10 | Cash | 35,000 | 0.23 | [●] |
| March 08, 2007 | Further Allotment | 3,08,220 | 10 | 10 | Cash | 3,43,220 | 2.30 | [●] |
| March 27, 2007 | Bonus Issue | 10,46,473 | 10 | - | Consideration other than Cash | 13,89,693 | 9.31 | [●] |
| | **Total** | **13,89,693** | | | | | **9.31** | [●] |

10. As on the date of the Draft Letter of Offer, our Company has 4,184 (four thousand one hundred and eighty four) members/shareholders.

11. The details of the Shareholding of the members of the Promoters and Promoter Group as on the date of this Draft Letter of Offer are set forth in the table below:

| Sr. No. | Name of the Shareholders | Pre-Issue | | Post- Issue | |
|---|---|---|---|---|---|
| | | Number of Equity Shares | % of total shareholding | Number of Equity Shares | % of total shareholding |
| 1. | Ghanshyambhai Ambalal Thakkar | 19,90,900 | 13.33 | [●] | [●] |
| 2. | Krupesh Ghanshyambhai Thakkar | 19,85,925 | 13.30 | [●] | [●] |
| 3. | Rushil International | 18,45,770 | 12.36 | [●] | [●] |
| 4. | Krupesh Ghanshyambhai Thakkar HUF | 13,89,693 | 9.31 | [●] | [●] |
| 5. | Krupa Krupesh Thakkar | 2,82,415 | 1.89 | [●] | [●] |
| 6. | Dinuben Ghanshyambhai Thakkar | 2,46,516 | 1.65 | [●] | [●] |
| 7. | Rushil Thakkar | 2,08,524 | 1.40 | [●] | [●] |
| | **Total** | **79,49,743** | **53.24** | [●] | [●] |

12. Our Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Letter of Offer is filed. However, our Promoter, Krupesh Ghanshyambhai Thakkar has pledged 13.30% of the equity share capital held by him amounting to 19,85,925 Equity Shares on July 08, 2020 in favour of our lender, Bank of Baroda for securing the enhanced facilities availed by our Company vide loan-cum

hypothecation agreement dated May 23, 2020. For further details, please refer to the chapter titled "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

13. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Letter of Offer.

14. Promoter contribution and lock in:

    Since the Issue is a rights issue, the requirement of promoters' contribution and lock-in are not applicable.

15. Our Company, our Promoters, our Directors and the LM have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares in existence as at the date of this Draft Letter of Offer. The Equity Shares to be issued pursuant to the Issue shall be partly paid-up at the time of Allotment and made fully paid up with the help of subsequent calls.

17. As on the date of this Draft Letter of Offer, the LM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The LM and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

18. The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ [●].

19. **Subscription by our Promoters and Promoter Group**

    The Promoters and the members forming part of the Promoter Group of the Company, may subscribe to the their Rights Entitlement in the Rights Issue and may apply for Additional Rights Equity Shares, in addition to their Rights Entitlement so as to ensure subscription to the extent of at least 75% of the Issue is achieved, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company. Such acquisition by our Promoters and Promoter Group shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt in terms of Regulation 10 (4) (b) of the SEBI Takeover Regulations.

## OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Part repayment or prepayment of unsecured loans availed by our Company from the Promoter and members of the Promoter Group; and
2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

### Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

*(₹ in lakhs)*

| Particulars | Amount |
|---|---|
| Gross Proceeds from the Issue | 2490.00 |
| Less: Issue related expenses | [●]* |
| **Net Proceeds from the Issue** | [●]* |

**To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges.*

### Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

*(₹ in lakhs)*

| Particulars | Amount |
|---|---|
| Part repayment or prepayment of unsecured loans brought in by the Promoter and Promoter Group | 1775.00 |
| General corporate purposes | [●]* |
| Issue related expenses | [●]* |
| **Gross proceeds from the Issue** | **2490.00** |

**To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges.*

### Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement 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 from the Issue.

### Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

*(₹ in lakhs)*

| Sr. No. | Particulars | Estimated Amount to be Utilised |
|---|---|---|
| 1. | Part repayment or prepayment of unsecured loans brought in by the Promoter and Promoter Group | 1775.00 |
| 2. | General corporate purposes | [●]* |
| | **TOTAL** | [●]* |

**To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchanges.*

**Schedule of Implementation and Deployment of Funds**

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2020-21.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

**Details of the Objects of the Issue**

1. ***Adjustment of Unsecured Loans brought in by the Promoter and Promoter Group against their entitlement towards the Issue***

Our Company has taken unsecured loans from M/s Rushil International, a partnership firm forming a part of our Promoter and Promoter Group. Our Company intends to utilize ₹ 1775 lakhs of the Net Proceeds towards part repayment or prepayment of these unsecured loans. The unsecured loan is not repayable on demand. There are no prepayment penalties for prepayment of such unsecured loans. The following table provides details of the unsecured loans availed by our Company, as on March 31, 2020, which are proposed to be repaid from the Net Proceeds:-

| No. | Name of the Entity | Outstanding Unsecured Loans as on March 31, 2020 (in Rs. lakhs) | Purpose of availing Unsecured Loans | Interest rate (%) p.a. | Proposed repayment or prepayment from Net Proceeds (₹ in lakhs) |
|---|---|---|---|---|---|
| 1 | M/s Rushil International | 5,360 | To part-finance the cost of project for setting up of a green field unit for manufacture of Medium Density Fiber Boards (MDF) at Achutapuram, in Andhra Pradesh | 11 | 1,775 |

Pursuant to certificate dated August 08, 2020 our Statutory Auditor has certified that the unsecured loans availed have been utilized for the purposes for which they were availed.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail unsecured loans. In such cases or in case any of the above loans are paid or further unsecured loan have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment or prepayment of such additional unsecured loans.

Our Promoter and some of the Promoter Group members have undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding.

Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is [●]

**Interest of Promoters and Directors to the objects of the Issue**

M/s. Rushil International has *vide* its letter dated August 10, 2020 confirmed that an amount of ₹ 1775 lakhs, which has been availed by our Company, in the nature of identified unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoter, to the extent of its entitlement, renunciation of entitlement in favour of the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied for by our Promoter for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

2. ***General corporate purposes***

In terms of Regulation 4(4) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes is not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board or its committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

**Issue related expenses**

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

| Particulars | Amount* (Rs. In Lakhs) | As a percentage of total expenses* | As a percentage of Issue size* |
|---|---|---|---|
| Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc. | [●] | [●] | [●] |
| Expenses relating to advertising, printing, distribution, marketing and stationery expenses | [●] | [●] | [●] |
| Regulatory fees, filing fees, listing fees and other miscellaneous expenses | [●] | [●] | [●] |
| **Total estimated Issue expenses** | [●] | [●] | [●] |

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

**Interim use of funds**

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net

Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

**Appraisal and Bridge Financing Facilities**

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

**Monitoring of utilization of funds**

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 16(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

**Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment/prepayment of certain unsecured loans availed by our Company from the Promoter Group members and payments made in the ordinary course of business, there are no material existing or anticipated transactions.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of an assessment of market demand for the issued Equity Shares and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is ₹ [●]. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Information*" on pages 111, 28 and 171 respectively, to have an informed view before making an investment decision. The Issue Price is [●] times of the face value of Equity Shares.

### Qualitative Factors

We believe the following are our key strengths and qualitative factors:

- Strong brand recall and established track record;
- Widespread distribution network and presence across various retail channels;
- Experienced management team;
- Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities; with a core focus on quality;
- In-house design capabilities and techniques;
- Entry barrier to the wood based panel products industry places us at an advantage; and
- Cost efficient sourcing and locational advantage.

For further details, see "*Our Business – Our Competitive Strengths*" on page 112

### Quantitative Factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI ICDR Regulations. For further details, see "*Financial Information*" beginning on page 171.

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

**A. Basic and Diluted Earnings/Loss per Share ("EPS") As per our Restated Financial Statements:**

| Year/Period | Basic EPS (in ₹) | Weight |
|---|---|---|
| March 31, 2020 | 15.44 | 3 |
| March 31, 2019 | 9.61 | 2 |
| March 31, 2018 | 21.27 | 1 |
| Weighted Average | **14.47** | |

| Year/Period | Diluted EPS (in ₹) | Weight |
|---|---|---|
| March 31, 2020 | 15.44 | 3 |
| March 31, 2019 | 9.61 | 2 |
| March 31, 2018 | 21.27 | 1 |
| Weighted Average | **14.47** | |

*Notes:*

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. Total of (EPS x Weight) for each year/Total of weights.*
2. *Basic Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable to equity shareholders / Weighted average no. of equity shares outstanding during the year.*
3. *Diluted Earnings per Share (₹) = Restated net profit after tax and adjustments, attributable for equity shareholders (after adjusting profit impact of dilutive potential equity shares, if any) / the aggregate of weighted*

*average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares*

4. *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

**B. Price Earnings ("P/E") Ratio in relation to the issue price of ₹[●] per Equity Share of ₹ 10 each:**

| Sr. No. | Particulars | P/E at Issue Price (number of times) * |
|---|---|---|
| 1. | Based on basic EPS as per our Restated Financial Statements for the Fiscal 2020 | [●] |
| 2. | Based on diluted EPS as per our Restated Financial Statements for the Fiscal 2020 | [●] |

**C. Return on Net Worth ("RoNW")**

As per Restated Financial Information:

| Year/Period ended | RoNW (%) | Weight |
|---|---|---|
| March 31, 2020 | 11.00 | 3 |
| March 31, 2019 | 7.66 | 2 |
| March 31, 2018 | 20.13 | 1 |
| **Weighted Average** | **11.41** | |

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. total of (RoNW x Weight) for each year/Total of weights*
2. *Return on net worth (%) = Net Profit After Tax as restated, attributable to the equity shareholders of the Company *100 / Net worth as restated at the end of the year.*
3. *Net Worth = Equity Share Capital + Securities Premium Account + General Reserve + Surplus / (Deficit) in the statement of profit and loss + Reserves created out of profits but does not include revaluation reserve.*

**D. Net Asset Value ("NAV") per Equity Share of face value of ₹ 10 each**

| NAV per Equity Share | Amount (in *₹ lakhs*) |
|---|---|
| As on March 31, 2020* | 140.34 |
| After the Issue | [●] |

**Derived from the Restated Financial Information Notes:*
*Net Asset Value per Equity Share = Net Worth as per the restated at the end of year/ Number of Equity Shares outstanding as at the end of year*

**E. Industry Peer Group P/E ratio**

Based on the peer group information (excluding our Company) given below in this section highest P/E ratio is 15.62, the lowest P/E ratio is 4.71, the average P/E ratio is 10.16.

The highest and lowest Industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "*Basis of Issue Price - Comparison with listed industry peers*" hereunder.

For Industry P/E, P/E figures for the peers are computed based on closing market price as on March 31, 2020 at BSE, divided by Diluted EPS (on consolidated basis) based on the audited accounts of such companies for the Fiscal 2020

**F. Comparison with listed industry peers**

| For Fiscal 2020 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Name of Company** | **Face Value (₹)** | **Total income (₹ in Crores)** | **Basic EPS (₹)** | **Diluted EPS (₹)** | **P/E (based on Diluted EPS)** | **RoNW (%)** | **NAV per share(₹)** |
| 1. | Rushil Décor Limited | 10 | 33913.39 | 15.44 | 4.71 | 11.00 | 140.34 | 10 |
| | Peer Group* | | | | | | | |
| 2. | Century Plyboards (I) Limited . | 1 | 229376.18 | 7.11 | 15.62 | 14.74 | 48.24 | 1 |
| 3. | Greenply Industries Limited | 5 | 124986.97 | 38.38 | 12.48 | 18.88 | 203.27 | 5 |

**Based on consolidated financial results for Fiscal 2020 and BSE website Notes:*

*a) Total Income is as sourced from the financial results reports of the companies.*

*b) Basic EPS refer to the basic EPS sourced from the financial results of the companies as on March 31,2020.*

*c) P/E Ratio has been computed as the closing market prices of the companies sourced from the BSE website as on March 31, 2020 as divided by the EPS provided under Note 2.*

*d) RoNW (%) has been computed as net profit after tax divided by the net worth of these companies. Net worth has been computed as sum of share capital and other equity.*

*e) NAV is computed as the closing net worth of these companies, computed as per Note 4, divided by the total number of equity shares outstanding as on March 31, 2020.*

**G. The Issue Price will be [●] times of the face value of the Equity Shares.**

The Issue Price of ₹[●] has been determined by our Company in consultation with the Lead Manager and is justified based on the above accounting information.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 28, 111, 171 and 172, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" on page 28 and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

### Statement of possible special tax benefits available to the Company and its Shareholders

To,
**The Board of Directors**
**Rushil Décor Limited**
S NO 125, Near Kalyanpura Patia,
Village, ITLA, Gandhinagar, Manasa Road,
Kalol, Dist Gandhinagar-382845

**Subject: Statement of Special Possible Tax Benefits available to Rushil Décor Limited and its shareholders**

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2019 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company, its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement

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

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

(i) the Company or its shareholders will continue to obtain these benefits in future;or

(ii) the conditions prescribed for availing the benefits have been/would be met with.

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

Yours faithfully,
**For Parikh and Majmudar,**
Chartered Accountants
FRNO 107525W
UDIN: 20040230AAAAGY3287

CA Dr. HITEN M PARIKH
PARTNER
M No 040230
**Date:** 08-08-2020
**Place:** Ahmedabad

## ANNEXURE 1

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO RUSHIL DECOR LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS**

**I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')**

***1.*** *Special tax benefits available to the Company under the Act*
There are no special tax benefits available to the Company.

***2.*** *Special tax benefits available to the shareholders under the Act*
There are no special tax benefits available to the shareholders of the Company.

*Notes:*

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2020-21.

d) This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## ANNEXURE 2

**STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO RUSHIL DECOR LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS**

**II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")**

***1.*** *Special indirect tax benefits available to the Company under the Act*
There are no special indirect tax benefits available to the Company.

***2.*** *Special indirect tax benefits available to the shareholders under the Act*
There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

*Notes:*

a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c) This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## 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. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL OUTLOOK

The world has changed dramatically in the three months since our last World Economic Outlook update on the global economy. A pandemic scenario had been raised as a possibility in previous economic policy discussions, but none of us had a meaningful sense of what it would look like on the ground and what it would mean for the economy. We now encounter a grim reality, where exponential growth of contagion means 100 infected individuals become 10,000 in a matter of a few days. Tragically, many human lives are being lost and the virus continues to spread rapidly across the globe. We owe a huge debt of gratitude to the medical professionals and first responders who are working tirelessly to save lives. This crisis is like no other. First, the shock is large. The output loss associated with this health emergency and related containment measures likely dwarfs the losses that triggered the global financial crisis. Second, like in a war or a political crisis, there is continued severe uncertainty about the duration and intensity of the shock. Third, under current circumstances there is a very different role for economic policy.

In normal crises, policymakers try to encourage economic activity by stimulating aggregate demand as quickly as possible. This time, the crisis is to a large extent the consequence of needed containment measures. This makes stimulating activity more challenging and, at least for the most affected sectors, undesirable. The forecast for the global economy laid out in this report reflects our current understanding of the path of the pandemic and the public health measures required to slow the spread of the virus, protect lives, and allow health care systems to cope. In this regard, we have benefited from numerous conversations with epidemiologists, public health experts, and infectious disease specialists working on therapies for COVID19. However, there remains considerable uncertainty around the forecast, the pandemic itself, its macroeconomic fallout, and the associated stresses in financial and commodity markets. It is very likely that this year the global economy will experience its worst recession since the Great Depression, surpassing that seen during the global financial crisis a decade ago.

The Great Lockdown, as one might call it, is projected to shrink global growth dramatically. A partial recovery is projected for 2021, with above trend growth rates, but the level of GDP will remain below the pre-virus trend, with considerable uncertainty about the strength of the rebound. Much worse growth outcomes are possible and maybe even likely. This would follow if the pandemic and containment measures last longer, emerging and developing economies are even more severely hit, tight financial conditions persist, or if widespread scarring effects emerge due to firm closures and extended unemployment. This crisis will need to be dealt with in two phases: a phase of containment and stabilization followed by the recovery phase. In both phases public health and economic policies have crucial roles to play. Quarantines, lockdowns, and social distancing are all critical for slowing transmission, giving the health care system time to handle the surge in demand for its services and buying time for researchers to try to develop therapies and a vaccine. These measures can help avoid an even more severe and protracted slump in activity and set the stage for economic recovery. Increased health care spending is essential to ensure health care systems have adequate capacity and resources. Special dispensations for medical professionals—who are on the frontlines of combating the pandemic—should be considered, including, for example, education allowances for their families or generous survivor benefits. While the economy is shut down, policymakers will need to ensure that people are able to meet their needs and that businesses can pick up once the acute phases of the pandemic pass. This requires substantial targeted fiscal, monetary, and financial measures to maintain the economic ties between workers and firms and lenders and borrowers, keeping intact the economic and financial infrastructure of society. For example, in emerging market and developing economies with large informal sectors, new digital technologies may be used to deliver targeted support.

The COVID-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by – 3 percent in 2020, much worse than during the 2008–09 financial crisis (Table 1.1). In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioral changes (such as people avoiding shopping malls and public transportation), confidence effects, and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices. Risks of a worse outcome predominate. Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health.

The immediate priority is to contain the fallout from the COVID- 19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown; and ensure that the economic recovery can begin quickly once the pandemic fades. Because the economic fallout reflects particularly acute shocks in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses.

Such actions will help maintain economic relationships throughout the shutdown and are essential to enable activity to gradually normalize once the pandemic abates and containment measures are lifted. The fiscal response in affected countries has been swift and sizable in many advanced economies (such as Australia, France, Germany, Italy, Japan, Spain, the United Kingdom, and the United States). Many emerging market and developing economies (such as China, Indonesia, and South Africa) have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers. Fiscal measures will need to be scaled up if the stoppages to economic activity are persistent, or the pickup in activity as restrictions are lifted is too weak. Economies facing financing constraints to combat the pandemic and its effects may require external support. Broad-based fiscal stimulus can preempt a steeper decline in confidence, lift aggregate demand, and avert an even deeper downturn. But it would most likely be more effective once the outbreak fades and people are able to move about freely.

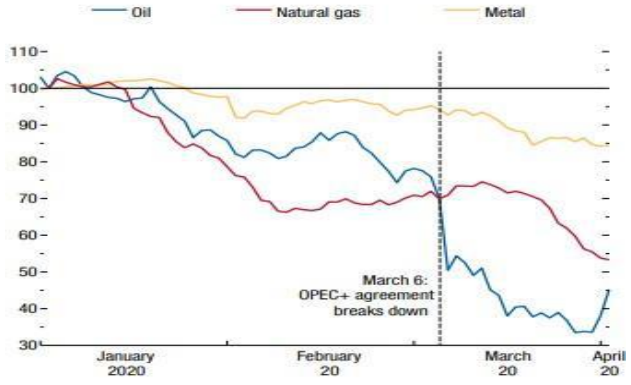
The significant actions of large central banks in recent weeks include monetary stimulus and liquidity facilities to reduce systemic stress. These actions have supported confidence and contribute to limiting the amplification of the shock, thus ensuring that the economy is better placed to recover. The synchronized actions can magnify their impact on individual economies and will also help generate the space for emerging market and developing economies to use monetary policy to respond to domestic cyclical conditions. Supervisors should also encourage banks to renegotiate loans to distressed households and firms while maintaining a transparent assessment of credit risk. Strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems. Countries urgently need to work together to slow the spread of the virus and to develop a vaccine and therapies to counter the disease. Until such medical interventions become available, no country is safe from the pandemic (including a recurrence after the initial wave subsides) as long as transmission occurs elsewhere.

Global Financial Stability Report, financial conditions in advanced as well as emerging market economies are significantly tighter than at the time of the October 2019 World Economic Outlook (WEO) forecast. Equity markets have sold off dramatically; high- yield corporate and emerging market sovereign spreads have widened significantly (Figures 1.2 and 1.3); and portfolio flows to emerging market funds have reversed, particularly in the case of hard currency bonds and equities. Signs of dollar funding shortages have emerged amid the general rebalancing of portfolios toward cash and safe assets.

Currency movements have generally reflected these shifts in risk sentiment. The currencies of commodity exporters with flexible exchange rates among emerging market and advanced economies have depreciated sharply since the beginning of the year, while the US dollar has appreciated by some 8½ percent in real effective terms as of April 3, the yen by about 5 percent, and the euro by some 3 percent (Figure 1.4).

The rapidly worsening risk sentiment has prompted a series of central bank rate cuts, liquidity support actions, and, in a number of cases, large asset purchase programs, including from the US Federal Reserve, European Central Bank, Bank of England, Bank of Japan, Bank of Canada, and Reserve Bank of Australia, as well as from emerging market central banks in Brazil, China, India, Malaysia, Mexico, the Philippines, Saudi Arabia, South Africa, Thailand, and Turkey—which will help partially offset the tightening in financial conditions. Moreover, several central banks have activated bilateral swap lines to improve access to international liquidity across jurisdictions.1 Nonetheless, the significant tightening of financial conditions will further dampen economic activity in the near term, adding to the direct macroeconomic fallout of the health crisis.

**Figure 1.1. Commodity Prices**
*(January 2, 2020 = 100)*




Sources: IMF, Primary Commodity Price System; and IMF staff calculations.
Note: OPEC+ = Organization of the Petroleum Exporting Countries, including Russia.

**Figure 1.2. Advanced Economies: Monetary and Financial Market Conditions**
*(Percent, unless noted otherwise)*

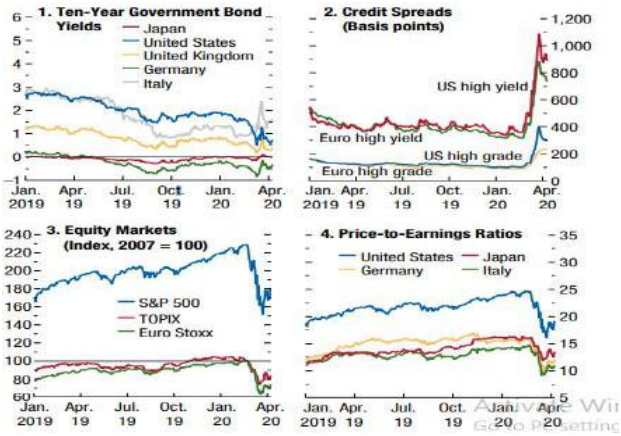



**Figure 1.3. Emerging Market Economies: Equity Markets and Credit**

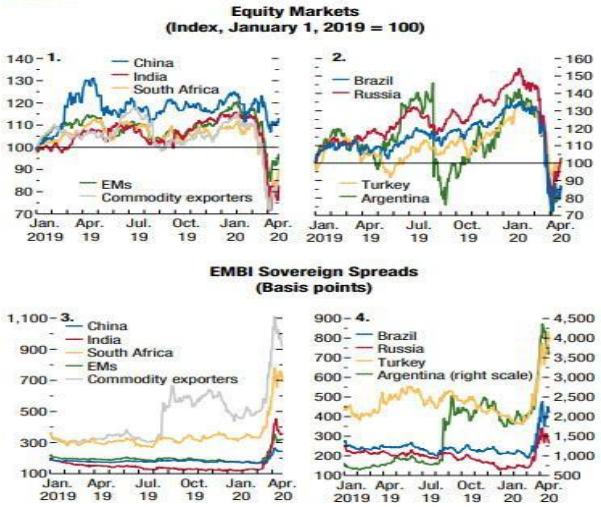
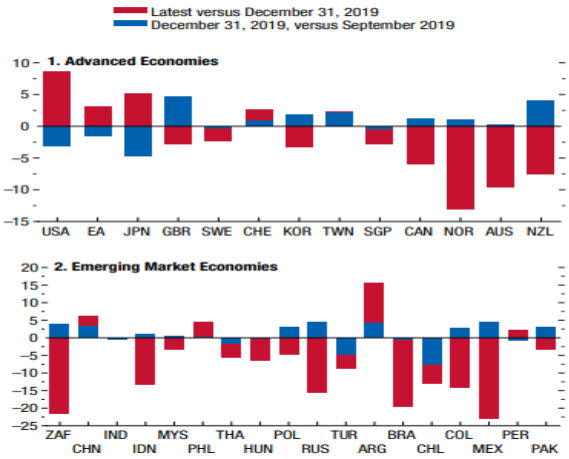



**Figure 1.4. Real Effective Exchange Rate Changes, September 2019–April 2020**
*(Percent)*




### *Global Economy in Recession in 2020*

Global growth is projected at –3.0 percent in 2020, an outcome far worse than during the 2009 global financial crisis. The growth forecast is marked down by more than 6 percentage points relative to the October 2019 WEO and January 2020 WEO Update projections—an extraordinary revision over such a short period of time.

Growth in the advanced economy group—where several economies are experiencing widespread outbreaks and deploying containment measures—is projected at –6.1 percent in 2020. Most economies in the group are forecast to contract this year, including the United States (–5.9 percent), Japan (–5.2 percent), the United Kingdom (–6.5 percent), Germany (–7.0 percent), France (–7.2 percent), Italy (–9.1 percent), and Spain (–8.0 percent). In parts of

Europe, the outbreak has been as severe as in China's Hubei province. Although essential to contain the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects.

Among emerging market and developing economies, all countries face a health crisis, severe external demand shock, dramatic tightening in global financial conditions, and a plunge in commodity prices, which will have a severe impact on economic activity in commodity exporters. Overall, the group of emerging market and developing economies is projected to contract by –1.0 percent in 2020; excluding China, the growth rate for the group is expected to be –2.2 percent. Even in countries not experiencing widespread detected outbreaks as of the end of March (and therefore not yet deploying containment measures of the kind seen in places with outbreaks) the significant downward revision to the 2020 growth projection reflects large anticipated domestic disruptions to economic activity from COVID-19. The 2020 growth rate for the group excluding China is marked down 5.8 percentage points relative to the January WEO projection. As discussed below, growth would be even lower if more stringent containment measures are necessitated by a wider spread of the virus among these countries. Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0 percent), albeit more than 5 percentage points below its average in the previous decade. In China, indicators such as industrial production, retail sales, and fixed asset investment suggest that the contraction in economic activity in the first quarter could have been about 8 percent year over year. Even with a sharp rebound in the remainder of the year and sizable fiscal support, the economy is projected to grow at a subdued 1.2 percent in 2020. Several economies in the region are forecast to grow at modest rates, including India (1.9 percent) and Indonesia (0.5 percent), and others are forecast to experience large contractions (Thailand, –6.7 percent).

Other regions are projected to experience severe slowdowns or outright contractions in economic activity, including Latin America (–5.2 percent)— with Brazil's growth forecast at –5.3 percent and Mexico's at –6.6 percent; emerging and developing Europe (–5.2 percent)—with Russia's economy projected to contract by –5.5 percent; the Middle East and Central Asia (–2.8 percent)—with Saudi Arabia's growth forecast at –2.3 percent, with non-oil GDP contracting by 4 percent, and most economies, including Iran, expected to contract; and sub-Saharan Africa (–1.6 percent)—with growth in Nigeria and South Africa expected at –3.4 percent and –5.8 percent, respectively. Following the dramatic decline in oil prices since the beginning of the year, near-term prospects for oil-exporting countries have deteriorated significantly: the growth rate for the group is projected to drop to –4.4 percent in 2020.

Countries is expected to experience negative per capita income growth in 2020 than at the time of the 2009 financial crisis. These countries account for a broadly similar purchasing-power-parity share of the world economy compared with the group that experienced negative per capita income growth in 2009.

Even after the severe downgrade to global growth, risks to the outlook are on the downside. The pandemic could prove more persistent than assumed in the baseline. Moreover, the effects of the health crisis on economic activity and financial markets could turn out to be stronger and longer lasting, testing the limits of central banks to backstop the financial system and further raising the fiscal burden of the shock. Of course, if a therapy or a vaccine is found earlier than expected, social distancing measures can be removed and the rebound may occur faster than anticipated.

As of early April 2020 the path of the COVID-19 pandemic remains uncertain. Strong containment efforts in place to slow the spread of the virus may need to remain in force for longer than the first half of the year if the pandemic proves to be more persistent than assumed in the WEO baseline. Once containment efforts are lifted and people start moving about more freely, the virus could again spread rapidly from residual localized clusters. Moreover, places that successfully bring down domestic community spread could be vulnerable to renewed infections from imported cases. In such instances, public health measures will need to be ramped up again, leading to a longer downturn than in the baseline forecast. And although the disease has been most concentrated in advanced economies, fresh outbreaks in large emerging market or developing economies could further hamper any recovery, and the staggered nature of outbreaks could imply longer-lasting disruptions to travel.

The recovery of the global economy could be weaker than expected after the spread of the virus has slowed for a host of other reasons. These include lingering uncertainty about contagion, confidence failing to improve, and establishment closures and structural shifts in firm and household behavior, leading to more lasting supply chain disruptions and weakness in aggregate demand. Scars left by reduced investment and bankruptcies may run more extensively through the economy (as occurred, for example, in previous deep downturns—see Chapter 4 of the October 2009 WEO and Chapter 2 of the October 2018 WEO). Depending on the duration, global business confidence could be severely affected, leading to weaker investment and growth than projected in the baseline.

Related to the uncertainty around COVID-19, an extended risk-off episode in financial markets and tightening of financial conditions could cause deeper and longer-lasting downturns in a number of countries.

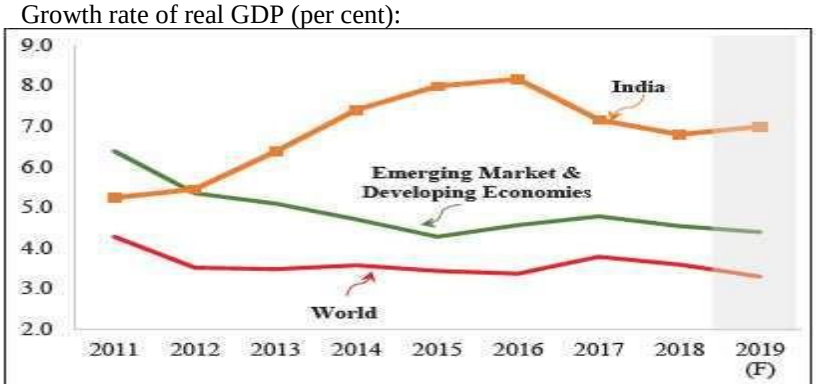
The Scenario Box later in this chapter provides illustrative examples that combine these aspects. Three alternative scenarios are considered. The first assumes a more protracted duration of the pandemic and necessary containment measures remaining in place for about 50 percent longer than in the baseline in all countries. The second features a recurrence of a milder outbreak in 2021. The third considers both a protracted pandemic and longer containment effort in 2020 as well as a recurrence in 2021. The scenarios depart from the baseline in several important aspects: the magnitude of the direct impact of measures to contain the spread of the virus, the tightening in financial conditions and the pace at which they ease, and the scarring resulting from the economic dislocation during the shutdown. As the Scenario Box shows, global GDP is estimated to deviate significantly from the baseline across the scenarios, ranging from 3 percent below baseline in 2020 in the first case (protracted pandemic in 2020) to 8 percent below baseline in 2021 in the third case (protracted pandemic in 2020 and recurrence in 2021). In all scenarios, output recovers only gradually and remains below the baseline throughout the medium term.

(Source - https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020)

**INDIAN ECONOMY OVERVIEW**

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. On the other hand, the world output growth declined from 3.8 per cent in 2017 to 3.6 per cent in 2018. The slowdown in the world economy and Emerging Market and Developing Economies (EMDEs) in2018 followed the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. In 2019, when the world economy and EMDEs are projected to slow down by 0.3 and 0.1 percentage points respectively, growth of Indian economy is forecast to increase.

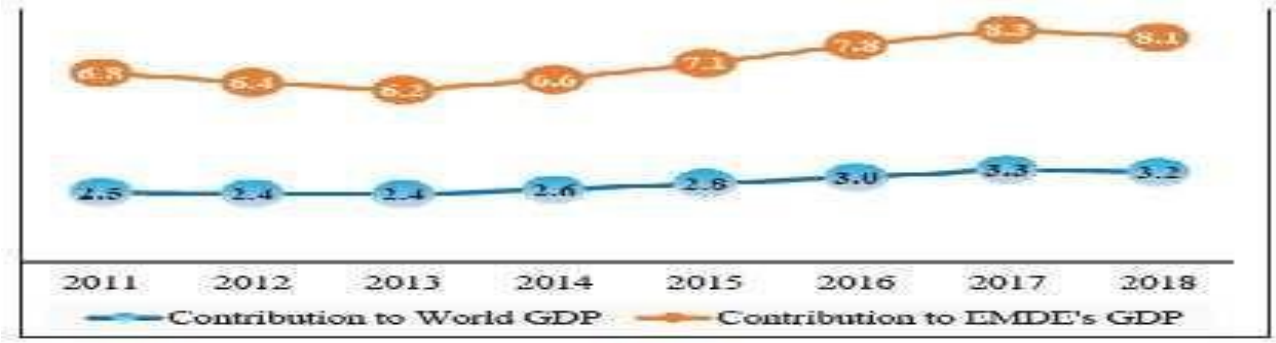
Growth rate of real GDP (per cent):




India is the seventh largest economy in terms of Gross Domestic Product (GDP) in current US$ and has emerged as the fastest growing major economy. The average growth rate of India was not only higher than China's during 2014-15 to 2017-18 but much higher than that of other top major economies (measured in terms of GDP at current US$ terms) as well. With Purchasing Power Parity (PPP) adjustments, India's GDP at current international dollar, ranks third in the world.

The contribution of the Indian economy to the GDP of EMDEs and world economy has increased consistently over the years. In a span of less than a decade, India's contribution to EMDEs GDP has increased by around 1.3 percentage points and to the world economy by around 0.7 percentage points. India's share in GDP of EMDEs stood at 8 per cent in 2018. As per the WEO, April 2019 of IMF, going forward, the growth of world economy will be bolstered mainly by growth in China and India and their increasing weights in world income. In EMDEs group, India and China are the major drivers of growth. The global economy—in particular the global growth powerhouse, China—is rebalancing, leading to an increasing role for India. Hence, India's contribution has become much more valuable to the global economy.

India's share in GDP of EMDEs and World (per cent):




(Source:-https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

The economic impact of the 2019–20 coronavirus pandemic in India has been hugely disruptive. World Bank and credit rating agencies have downgraded India's growth for fiscal year 2021 with the lowest figures India has seen in three decades since India's economic liberalization in the 1990s. However, the International Monetary Fund projection for India for the financial year 2021-22 of 1.9% GDP growth is the highest among G-20 nations. The Indian economy is expected to lose over ₹32,000 crore (US$4.5 billion) every day during the first 21-days of lockdown which was declared following the coronavirus outbreak. Up to 53% of businesses in the country will be affected. Supply chains have been put under stress with the lockdown restrictions in place; initially there was a lack of clarity in streamlining what is an "essential" and what isn't. Those in the informal sectors and daily wage groups are the most at risk. A large number of farmers around the country who grow perishables are also facing uncertainty. Various businesses such as hotels and airlines are cutting salaries and laying off employees. The live events industry has seen an estimated loss of ₹3,000 crore (US$420 million).

Major companies in India such as Larsen and Toubro, Bharat Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, Tata Motors and Thermax have temporarily suspended or significantly reduced operations. iPhone producing companies in India have also suspended a majority of operations. Young startups have been impacted as funding has fallen. In the third week of March, Amazon and Walmart-owned Flipkart announced that it would stop sale of non-essential items in India so that it could focus on essential deliveries. Other fast-moving consumer goods companies in the country have significantly reduced operations and are focusing on essentials. Stock markets in India posted their worst loses in history on 23 March 2020. However, on 25 March, one day after a complete 21- day lockdown was announced by the Prime Minister, SENSEX and NIFTY posted their biggest gains in 11 years, adding a value of ₹4.7 lakh crore (US$66 billion) crore to investor wealth.

The Government of India has announced a variety of measures to tackle the situation, from food security and extra funds for healthcare, to sector related incentives and tax deadline extensions. On 27 March, the Reserve Bank of India also announced a number of measures which would make available ₹374,000 crore (US$52 billion) to the country's financial system. On 29 March, the government allowed the movement of all essential as well as non-essential goods during the lockdown. On 1 April, World Bank approved $1 bn in support to India to tackle the coronavirus pandemic. On 3 April, the central government released more funds to the states for tackling the coronavirus totalling to ₹28,379 crore (US$4.0 billion). On 6 April, a 30% salary cut for one year was announced for the President, Prime Minister and Members of Parliament.

On April 14, 2020, the Prime Minister of India extended the lockdown to 3 May. A new set of guidelines for the calibrated opening of the economy and relaxation of the lockdown were also set in place which will take effect from 20 April. On 17 April, the RBI Governor announced more measures to counter the economic impact of the pandemic including ₹50,000 crore (US$7.0 billion) special finance to NABARD, SIDBI, and NHB.

*https://en.wikipedia.org/wiki/Economic_impact_of_the_2019%E2%80%9320_coronavirus_pandemic_in_India*

Real GDP in 2019-20 is estimated to grow at 5.0 per cent (second advance estimates), lower than 6.1 per cent in 2018-19 (first revised estimates).The real Gross Value Added (GVA) is estimated to grow at 4.9 per cent in 2019-20 (second advance estimates) as compared to 6.0 per cent in 2018-19 (first revised estimates).The share of total final consumption (private and public consumption) in GDP at current prices in 2019-20 is estimated at 72.0 per cent, as compared to 70.4 per cent in 2018-19.Merchandise exports and imports (in US$ terms) declined by 1.9 per cent and 8.1 per cent respectively in April-January 2019-20. Oil imports declined by 9.2 per cent and non-oil imports declined by 7.7 per cent in April-January 2019-20. During April-January 2019-20, merchandise trade deficit was US$ 133.3 billion, lower as compared to US$ 163.3 billion in April-January 2018-19. The fixed investment rate

(ratio of gross fixed capital formation to GDP) is estimated at 27.5 per cent in 2019-20, as compared to 29.0 per cent in 2018-19. The growth in real fixed investment is estimated to decline at 0.6 per cent in 2019-20, as compared to 9.8 per cent in 2018-19. IIP registered a growth of 0.5 per cent in April-December 2019, as compared to 4.7 per cent during April-December 2018. In January 2020, the production of eight core industries grew by 2.2 per cent, as compared to a growth of 1.5 per cent recorded in January 2018. Production of eight core industries grew by 0.6 per cent in April-January 2019 as compared to a growth of 4.4 per cent in the corresponding period of previous year.

**Some Other Infrastructure Indicators:** The number of telephone subscribers in India declined from 1175.9 million at end November 2019 to 1172.4 million at end December 2019. The overall tele-density in India was 88.6 at end December 2019; the urban tele-density was 156.3 and rural tele-density was 56.7 at end December 2019.The traffic handled at major ports grew by 1.1 per cent to 585.7 million tonnes in April-January 2019-20, from 579.1 million tonnes in the corresponding period of the previous year. As per the Central Electricity Authority, electricity generation grew by 2.0 per cent in January 2020 (YoY basis). The total installed capacity for electricity generation was 3,68,690 MW at the end of January 2020, of which the share of thermal, hydro, renewable and nuclear sources was 62.4 per cent, 12.3 per cent, 23.4 per cent and 1.8 per cent respectively. Growth of bank credit was 7.1 per cent (YoY basis) as on January 31, 2020, as compared to 14.5 per cent in the corresponding fortnight end of the previous year. The Budget Estimates of the fiscal deficit as percentage of GDP for 2019-20 have been set at 3.3 per cent, as compared to 3.4 per cent in 2018-19 (Provisional Actual (PA)). The Rupee exchange rate (Re/US$) stood at 71.3138 at the end of January 2020, compared to 71.2328 at the end of December 2019.

India's current account deficit (CAD) was 0.9 per cent of GDP (US$ 6.3 billion) in Q2 of 2019-20, as compared to 2.9 per cent of GDP (US$ 19 billion) in Q2 of 2018-19. Net foreign direct investment was US$ 7.4 billion in Q2 of 2019-20, almost same level as compared to Q2 of 2018-19. The external debt stood at US$ 557.5 billion at end-September 2019, recording an increase of 0.5 per cent over the level at end-June 2019. Long-term debt was US$ 448.4 billion at end September 2019, while the remaining US$ 109.1 billion was short-term debt. Foreign exchange reserves stood at US$ 476.1 billion as on February 21, 2020, as compared to US$ 447.8 billion at end-March 2019. WPI inflation increased to 3.1 per cent in January 2020 as compared to 2.6 per cent in December 2019. Consumer Price Index (CPI) – Combined inflation was 4.5 per cent in April-January 2019-20 as compared to 3.6 per cent in April-January 2019. Growth of money supply (M3) (on year on year basis) as on January 31, 2020 stood at 10.2 per cent, as compared to a growth rate of 10.4 per cent as recorded in the corresponding fortnight end in the previous year.

**Note:** Conversion rate used as on January 2020, Rs 1 = US$ 0.014022531

*https://www.ibef.org/economy/monthly-economic-report*

**INDIAN MARKET OVERVIEW**

The increasing focus of the government for low cost housing and infrastructure development, coupled with the growth in the construction and furniture industry in the country is believed to benefit the expansion of the India plywood and laminates market. Additionally, increasing demand for plywood and laminates in various end user industries, such as furniture industry, real estate industry, coupled with the rapid urbanization in the country are some of the factors anticipated to promote towards the growth of the India plywood and laminates market. Moreover, recent changes being made in the goods and service tax in the country has resulted in lowering the price difference of plywood and laminates sector between organized and unorganized sector, which is also anticipated to be one of the major key factors contributing towards the growth of the India plywood and laminates market. Further, the India plywood and laminates market, which accounted for a market value of USD 4790 million in the year 2018, is slated to grow at a highest CAGR of 4.83% over the forecast period 2019-2027 and reach a market value of USD 7323.3 million in 2027.

**Market Segmentation Synopsis**

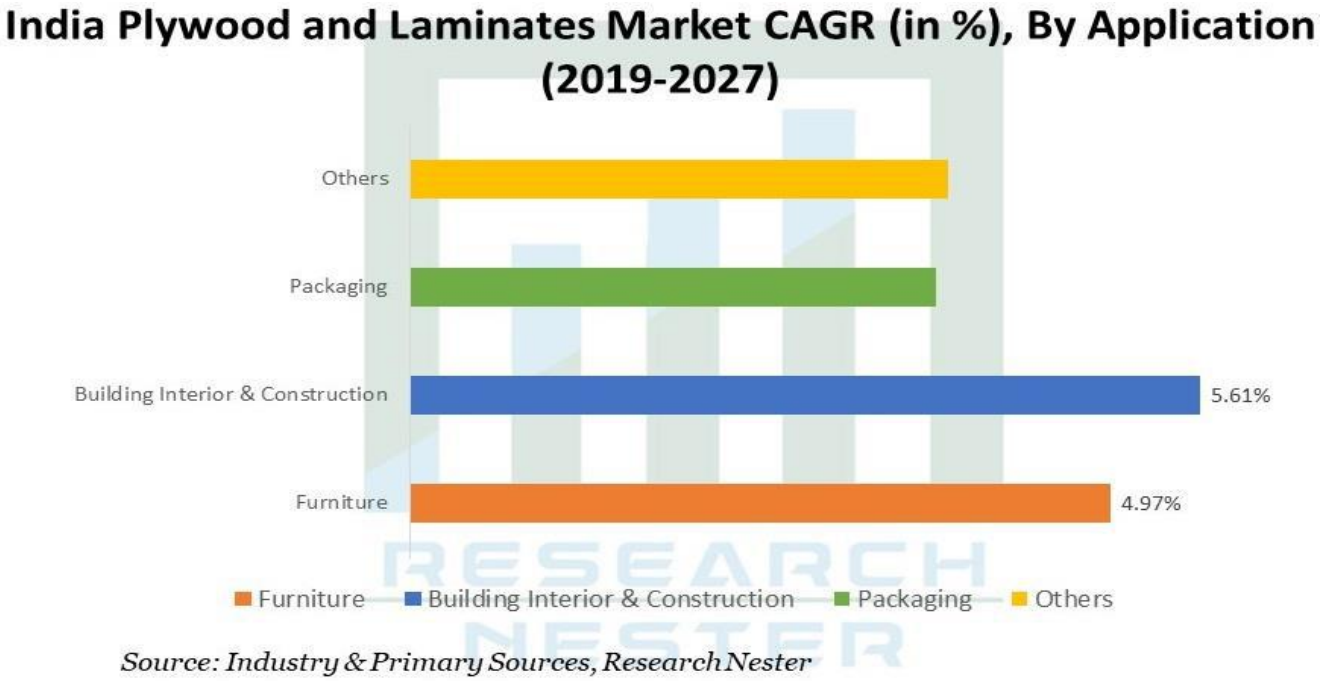
**By Product**

The India plywood and laminates market is segmented on the basis of product into plywood and laminates. Plywood segment is estimated to expand at a CAGR of 4.55% and is showcasing great potential for the future growth of the segment. Plywood is a new alternative of wood-based products. These are used for commercial and residential applications and are made up from sheet of wood veneer. Plywood are available in different types such as waterproof plywood, decorative plywood, commercial plywood and many others. Increasing demand for

plywood in the nation is opening several new opportunities for investors and manufacturers from foreign to invest in the Indian market. Further, the laminate segment is estimated to achieve absolute $ opportunity of USD 676.2 million between the years 2018 and 2027.

**By Application**

The India plywood and laminates market is also segmented on the basis of application into furniture, building interior & construction, packaging and others. It is observed that there is a high demand for plywood and laminates for the manufacturing of furniture which is promoting the growth of the furniture segment. Plywood and laminates offer a decorative look to the furniture. As such, consumers are preferring the use of plywood and laminates in replacement of raw wood-based products. The furniture segment is anticipated to attain a CAGR of 4.97% during the forecast period. Moreover, the building interior & construction segment is anticipated to grow with the highest CAGR of 5.61% and attain an absolute $ opportunity of USD 813.6 million during the assessment period.




*Source: Industry & Primary Sources, Research Nester*

**Plywood players shifting focus to MDF**

Despite the industry being largely unorganised, the MDF (Medium Density Fibreboard) market in India is 100% organised as this segment poses an entry barrier in terms of high capital investments. MDF is increasingly being used as a substitute for low to medium quality plywood as it is 40-50% cheaper, resistant to moisture and can be easily moulded and machined for furniture applications.

There exists a significant scope for import substitution as 30-35% of the demand in India is met through imports. Additionally, anti-dumping duty of /CBM on import of MDF boards (with thickness 6 mm ) would further benefit the local players.

**Market Drivers and Challenges**

**Growth Indicators**

*According to the statistics of the Ministry of Housing and Urban* Affairs, *Government of India, out of the total population in India (population census of 2011), 31.16% of the population are in urban areas.*

The India plywood and laminates market is thriving on the back of rapid amplification in the urbanization of the country, which is contributing to the growth of the furniture and construction industry, in turn is expected to drive the growth of India plywood and laminates market during the forecast period. Moreover, the replacement cycle of old furniture is anticipated to lower down at a massive rate over the years, raising the need amongst furniture

manufacturers to increase their manufacturing scale, which in turn will raise the demand for plywood and laminates from the end user industries. Apparently, several other factors, which include supportive housing facilities by the government of India that promotes low and affordable housing to the low and middle income families, along with the implementation of goods and service tax (GST) in the nation's tax reforms, which has lowered the price difference between the organized and unorganized sectors, is letting to the inclination of consumers towards branded wooden products. Such factors are anticipated to drive the growth of the India plywood and laminates market.

**Barriers**

Challenges faced with the unavailability of certain raw materials used in the manufacturing of plywood and laminates raises the overall production cost of the manufacturer, which is anticipated to have a negative impact on the growth of the India plywood and laminates market.

**Competitive Landscape**

Some of the affluent industry leaders in the India plywood and laminates market are *Greenlam Industries Limited*, *Greenply Industries Limited*, *Century Plyboards (I) Limited*, *Uniply*, *Duroply Industries Limited* and *National Plywood Industries Limited*. Apparently numerous companies are investing massively and focusing on expansion in product mix and product line so as to gain an extra edge of competitiveness in the India plywood and laminates market.

*https://www.researchnester.com/reports/india-plywood-and-laminates-market/2366*

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The wood panel industry includes plywood sheets, engineered wood panels (MDF - Medium Density Fibre furniture board and particle board) and decorative surface products such as laminates. According to the World Bank, organised furniture industry is growing at the rate of 20% every year with market volume of US$ 183 Bn in 2018. This is driven by a healthy demand for wood panels, mainly for new housing construction (approximately 90% of the total demand) and the remaining (10%) from renovation activity. The revenue in the Furniture & Homeware segment may amount to US$ 2,041 Mn in 2019. The revenue is expected to show a compounded annual growth rate (CAGR 2019-2023) of 16.2%, resulting in a market volume of US$ 3,724 Mn by 2023. Online home décor market in India is projected to witness a CAGR of 50.42% in terms of revenue over the period of 2014-2019. The luxury furniture market is expected to garner US‡ 27.01 Bn by 2020, registering a CAGR of 4.1% during the forecast period of 2015-2020.

Furniture manufacturing is driven by the designs chosen, the inputs which come from in-house designers and market feedback. Manufacturers consider several aspects related to the customer (demography, lifestyle, motivation and aspiration, needs and preferences), raw material (type, quantity and availability) and internal capability (expertise, quantity and availability of labour, production process complexity and delivery time) for developing different designs, which in turn, determine the furniture's functionality, look & feel and value.

Steady growth in the Indian economy and the consequent rise in living standards, have been key influencers on demand generation in the Indian furniture industry. The three key drivers that had a significant impact on the sector are:

1. Changing consumer demographics
2. Real estate/housing boom
3. Tourism and hospitality industry growth

The growth in the industry is highly correlated with the progression in the housing sector. The Central Government's policy (Pradhan Mantri Awas Yojana) to ensure 'Housing for All by 2022' will be able to boost the revenue for the sector. The implementation of the Real Estate Regulatory Act (RERA) will pave a way for a speedy settlement of housing disputes and will amplify foreign and domestic investments due to increased transparency. This will improve the buyers' confidence and increase the sale of houses. In addition, the growth of retail, hospitality and healthcare sectors has raised the demand for the commercial real estate.
(Source: Moneycontrol.com, Statista, IBEF)

**Demand Drivers for Furniture Industry**

**MEDIUM DENSITY BOARD (MDF)**

The market size of Indian MDF industry is nearly Rs. 1,600 crore Over the last five years, the industry has witnessed a CAGR of 20%. The focus of the organised players towards MDF is increasing whereas the unorganised sector's presence in it is almost negligible.

MDF is considered as a high-quality substitute for low-end plywood. Also, a high-quality MDF board is 50% cheaper than a high-end plywood and is moisture resistant like plywood. It is only 5-10% more expensive than the cheapest priced local plywood. At present, the MDF makes up around 6% of the Indian plywood and panel industry and is also the smallest segment. Globally, the MDF to plywood consumption ratio is 65:35. But in India, the same ratio is skewed in favour of the later at 10:90. This number indicates that there is huge scope for future growth of MDF in the country. Further, unlike plywood, MDF being capital-intensive business, the threat from unorganised sector is almost negligible in this segment.

MDF fulfils the need of smart furniture for the fast-paced lifestyle of the millennials and Gen Z geeks. It also serves the demand for readymade, branded and low-maintenance furniture, by virtue of its quality and eco-friendliness.

MDF has already replaced 4 mm plywood application due to its low quality. The 6 mm plywood which is mainly used for wardrobes and furniture gets affixed to the wall and experiences moisture and termites. Hence it is being replaced by MDF as it is more resistant to moisture and termite. Further, HDHMR (High Density High Moisture Resistance) MDF is another growth area if the plywood producers don't improve the thickness of 12 mm. This will also lead to replacement of 12 mm plywood by MDF soon.

**LAMINATE**

The global market for laminates is currently pegged at Rs. 50,000 crore and is growing at 5-6% per annum. The Indian laminates market is nearly estimated at Rs. 5,000 crore. The exports contribute around Rs. 1,000 crore, with the balance being met by domestic demand. The industry has traditionally remained largely unorganised, but the share of organised players has seen a gradual rise in recent years.

Decorative laminates are the specially-designed laminated sheets of brown Kraft papers and decorative printed papers fused together using pressure and heat. These decorative sheets are used to add stylish finishes to furniture items, cabinets, counters, worktops and other installations and for wall panelling. As dynamic and innovative surfaces for home furniture or office cubicles and partitions, laminates are the perfect choice to lend an exclusive luxury look.

Decorative laminates are of three types: high-pressure laminates (HPL), low pressure Laminates (LPL) and edge banding. HPL are relatively expensive, but they are extremely durable and have longer life as compared to LPL. HPL is apt for both, vertical and horizontal installations, whereas LPL is recommended only for vertical installations in the low traffic areas. Edge banding is mainly done to cover plywood sides in order to match a cabinet's finished look, but it also protects the inner plywood from possibly warping. It is available in variety of materials.

**POLY VINYL CHLORIDE (PVC)**

PVC is a Green product composed from natural fibres and polymers. It is environment-friendly and is expected to grow at 11% globally over the next five years. The PVC market in India is at nascent stage with penetration of just

1% as compared to high traction in the Americas, Europe and China. The LEED (Leadership in Energy and Environment Design) certified Green Buildings, which are subsequently picking up in India, can only use MDF and PVC and not the plywood. Also, the Government initiatives such as 'Make in India' offer indigenous manufacturers an inherent advantage in this market. The PVC can be used in interiors, ceilings, modular furniture, interior rear shelves and trims for trunks & spare wheels, and interior trims for vehicle doors. The recently commissioned PVC plant not only provides revenue visibility but also indicates increasing focus on green and durable products which is in sync with the market trends and consumer preferences.

As per the Ply Reporter, PVC laminate market will touch 7.5 lakh sheets due to their growing demand of new design in kitchen panels and wardrobes. The benefits of PVC decorative sheets are their flashy, vibrant colour options, very high 'gloss level' and 90 degree bend properties. The 90 degree bend is achieved by making a grove on the back on the sheet hence it helps the kitchen makers to apply easily in their small-sized workshop, too.
(Source: Moneycontrol.com, Ply Reporter)
(Source: Rushil Décor Limited Annual Report -FY 2019)

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 28, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 171 and 172, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements*

Rushil Décor Limited commenced operations in 1993 under the name and style of well-known product brand 'VIR laminate'. Our Company is a flagship company of the Rushil Group. Our Company was incorporated in the year 1993 and is engaged into manufacturing of Decorative Laminated Sheets, MDF and PVC with a network of branches, dealers, clearing &forwarding agents and consignment agents across India.

Our Company is engaged into manufacturing of Laminates, MDF and PVC using facilities strategically located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat having aggregate Laminate capacity of 34.9 lakh sheets per annum. Our Company also manufactures standard thick MDF Boards and Pre Lam MDF Boards with thickness ranging from 7.5 mm to 30 mm at its plant located at Chikmagalur, Karnataka with an installed capacity of 300 CBM per day or 90000 CBM per annum. Keeping in view the increasing demand of MDF products in the market, our Company has recently set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF. In the proposed manufacturing facility, our Company will be able to manufacture MDF products in different sizes and dimensions, which will enable us to enter into a niche segment of the market. Our Company has an in-house design team which is responsible for creating new designs for our products as per the market demand.

The manufacturing facilities of our Company are strategically located across India. Our products and our major brands are as follows:-

| Manufacturing Units | Products | Our major brands | Capacities |
|---|---|---|---|
| 608, GIDC Mansa, Dist. Gandhi Nagar, Gujarat | Laminates | "VIR" and "SIGNOR" | 876000 Sheets |
| At Dholkuva Patia, Gandhinagar Mansa Road, Dist. Gandhinagar, Gujarat | Laminates | "VIR" and "SIGNOR" | 2076000 Sheets |
| S.no. 125, Nr. Kalyanpura Patia, Gandhinagar Mansa Road , Village Itla, Tal. Kalol, Gujarat | Laminates | "VIR" and "SIGNOR" | 540000 Sheets |
| Plot No. 58, 59 & 60p, Amble Industrial Estate Village, Chikmagalur, Karnataka | MDF & PVC | "VIR" and "SIGNOR" | 90000 CBM MDF<br>12480 CBM PVC |
| Plot No. 15B1, 15B2, 15L, 15C, 15K, 15D1 and 15D, Denotified Area-APSEZ, Atchutapuram, District: Visakhapatnam, Andhra Pradesh | MDF | "VIR" and "SIGNOR" | 240000 CBM |

Our Company has a brand presence and our brands "VIR Laminates", "VIR MDF" and "VIR PVC" are recognised and respected in the industry. Our Company has created a nation wide network of marketing offices, branches, depots, consignment agents and dealers across the country for marketing and distribution of Laminates, MDF and PVC.

We have received ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 issued by the technical director, Alcumus ISOQAR certifying that the management system of our Company has been approved by Alcumus ISOQAR and are in line with the said standards. We have received certifications from the Bureau of Indian Standers certifying the quality standards of our resin bonded laminated sheets and our pre-laminated medium density fibre board.

We have an experienced professional management team under the overall stewardship of Mr. Krupesh

Ghanshyambhai Thakkar, one of the Promoters and Managing Director who has an experience of more than 25 years in laminate and wood-based industry. He has been awarded with several accolades including, the "Rajiv Gandhi Shiromani Award" and the "Indira Gandhi Sadbhavana Award" for his pioneering work and contribution to the nation. Our Promoter, Ghanshyambhai Ambalal Thakkar who is also the Chairman and Whole-time Director of the Company has an experience of more than 40 years in the laminate and wood-based industry. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology.

In the year 2010 our Company made its maiden public issue of 56,43,750 Equity Shares at issue price of ₹ 72/- per Equity Shares aggregating to ₹ 175.50 lakhs and consequently the Equity Shares were listed on BSE and NSE. The market capitalization *(full float)* of our Company as on June 30, 2020 was ₹ 10,504 lakhs and ₹ 10,855 lakhs on BSE and NSE respectively.

For Fiscal Year ended March 31, 2020, March 31, 2019 and March 31, 2018, our total revenue was ₹ 33,913.4 lakhs, ₹ 35,223.23 lakhs and ₹ 35,368.25 lakhs respectively. We earned a profit after tax of ₹ 2304.97 lakhs, ₹ 1433.50 lakhs and ₹ 3092.41 lakhs for the Fiscal Years ended March 31, 2020, March 31, 2019 and March 31, 2018, respectively.

**Our Competitive Strengths**

1. ***Strong brand recall and established track record***

   Our Company was incorporated in the year 1993 and over the years, we have steadily grown as an interior infrastructure solutions provider. Our Promoters have over 25 years of experience on an average in the wood based panel products industry. The reputation and expertise of our Promoters in the wood based panel products industry has enabled us to establish brand equity of the products marketed under our brand name 'VIR'. We have a track record of developing home-grown brands, leveraging our deep understanding and market research of the laminate industry. Our major products such as PVC, MDF boards, laminates and are marketed by our dealers, consignment agents and branch offices under brands Name of "Vir" and "Signor" We believe that our brands enables us to better cater the needs of our customers and increase the range and diversity of our products, leading to increased brand loyalty and repeat customers.

   The wood based industry is a fragmented and an unorganized industry in India and we intend to focus on creating a diverse portfolio of brands to gain higher market share from the unorganized segment. We also believe in enhancing brand visibility by expanding our domestic and international distribution network and have taken certain initiatives towards achieving the same. We have been able to sustain the demand for our brands by offering a continuous flow of value added products. Our brands give us a broader platform to market our products to our customers. In addition, our presence in the wood based panel products industry for several years, has helped us in understanding the changing needs and demands of our customers. With constant improvement in performance of our products, augmented with quality and recognition of our brand, we believe that we enjoy considerable brand equity and reliability in the market.

2. ***Experienced management team***

   Our management team has requisite mix of having academic backgrounds business management, commerce, etc. They hold qualifications in engineering, business management and accounting. In addition, our management team has considerable experience in the wood based panel products industry, with our promoters having extensive knowledge and over 25 years of experience on an average in the wood based panel products industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing facilities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the interior infrastructure sector. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of competitive technology results in growing capacities and rising production levels with better cost management and process efficiency has translated into enhanced quality of our product, increasing profitability and improving margins which gives us a competitive edge.

3. ***Widespread distribution network and presence across various retail channels***

   Our Company has invested in establishing processes, teams and technology to manage our distribution

channels and retail presence. As on March 31, 2020, our Company has engaged sufficient number of dealers, consignment agents as well as branch offices to ensure easy product availability to our customers, efficient supply chain, focused customer service and short turnaround times. Our sales and marketing team periodically reviews new products, assesses market trends and develops and builds business relations. We have a widespread marketing and distribution network comprising of dealers, consignment agents and clearing and forwarding agents. Our longstanding dealer base is supported by an efficient sales team, leading the products to showrooms across the country, thereby making our products available on the shelf at all times, reducing dealer stock levels and increasing annual sales per dealer. The intermediaries in our distribution network remain in constant contact with our customers, which enables them to perceive the market requirement and the sentiment of customers towards our products. The intermediaries in our distribution network are the first point of contact for us and our sales and marketing teams remain in contact with the intermediaries to constantly improve our products and bring them in line with the requirements of our customers. Our design team helps us maintain longstanding relations with interior architects and designers, contractors and carpenters, as well as retailers. Owing to the efforts of our design team we have been able to reinvent our designs and keep our brands and our products up to date with the market requirement. Our sales and marketing team has a focused approach to creating brand awareness through print and electronic media. We have targeted deeper penetration in small cities and towns for marketing of our products. We have deployed our team of sales professionals in various states so that we can provide first-hand guidance and assistance to our dealers across the nation. As a result of our widespread distribution network, significant operational experience and regular follow ups of our design team to gauge the customers' demand, we believe that we have been able to identify market trends and personally connect with a large number of consumers, thereby gaining trust of our customers over the years.

4. ***Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities with a core focus on quality***

Our strategically located multi-product manufacturing units manufacture products close to our customers and distribution networks and reduce our costs of transportation by manufacturing almost all our product under one roof, thereby giving us an advantage over our competitors. We have established five manufacturing facilities, out of which three units are strategically situated in Mansa, Gujarat, one is in Chikmagaluru, Karnataka and one in Vishakhapatnam, Andhra Pradesh. Our multi-location facilities have assisted in market penetration and developing a strong presence in West and South India. For Fiscal 2020, our sales in South and West India represented 48% and 11% of our revenue from operations, respectively.

Our investment in modern infrastructure and our ability to enhance capacity utilization in excess of installed capacities in manufacturing results into economies of scale. Our modern manufacturing unit based in Karnataka has state-of-the-art CNC machines that make MDF with homogeneity and less wastage. We manufacture multiple products under one roof in one of our manufacturing units, which results in cost savings in terms of shared overheads and resources across different product categories. It also reduces transportation costs and improves logistics management as our dealers can place orders for multiple products from one manufacturing facility resulting in single truck load delivery enabling them to replenish stocks at regular intervals.

We have ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 certified manufacturing process for our manufacturing three units located at Mansa, Gujarat. We have received certifications from the Bureau of Indian Standers certifying the quality standards of our resin bonded laminated sheets manufactured at our manufacturing unit situated at Mansa and our pre-laminated medium density fibreboard manufactured at our manufacturing unit situated at Chikmagalur. In addition to this, we also have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our products.

5. ***In-house design capabilities and techniques***

Our core competencies lies in our deep understanding of the customers buying preferences and behavior over two decades across the Indian market. We believe that we have competitive advantages due to our dedicated in-house design and merchandising team and our manufacturing facilities for our product categories. Design development forms an integral part of our operations and is considered as an effective tool for converting customer's need into a product. We have a team of professionals who are responsible for developing products and styles, which are based on prevalent demand trends.

Our design team constantly remains in contact with the intermediaries forming a part of our distribution network, for gaining insight on the feedback of the customers. Our team of professionals scour the market and carry our surveys to gauge the demand of the customers in the wood-based industry. In addition to this, with the help of the inputs received from our distribution network, our products are constantly reinvented to suit the current trend and style of the market. New designs are developed on a regular basis to add to our library of designs, concepts, features, material specifications and product specifications, we believe this differentiates us from our players in the Industry. We have over 04 professionals in our design, development and merchandising department dedicated to develop new products, improving existing ones and forecasting market trends.

6. ***Entry barrier to the wood based panel products industry places us at an advantage***

Government regulations represent a large entry barrier in the wood based interiors infrastructure segment in India. The manufacturing activities relating to the wood based panel products industry are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, and State Pollution Control Board. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. The grant of a license is further subject to strict compliance with the prescribed regulatory norms and relaxation of any of the norms is not permitted. These complexities in obtaining new licenses make it difficult for new players to enter the market. We hold production licenses in segments regulated by the government which restrict and regulate the grant of new licenses for the manufacture of wood based panel products. Statutory and/or regulatory requirements represent a large entry barrier in the wood based interiors infrastructure segment and the wood based panel products manufacturing industry in India. We therefore believe that our production license gives us competitive edge and relative first-movers and early entrants' advantage.

7. ***Cost efficient sourcing and locational advantage***

We believe that our cost efficient manufacturing and supply chain management results in a significant reduction in our operational costs. With our experience, we are able to time our procurement of raw materials and being a large player in the industry we are also able to source these materials at a competitive price. The location of our current manufacturing facilities gives us a significant competitive cost advantage in terms of raw material sourcing, manufacturing and labour costs. Our manufacturing units are situated at Gujarat , Karnataka and Andhra Pradesh which has sufficient raw materials which enable us to cover not only Indian markets but global markets as well.

**Our Business Strategy**

1. ***Capacity expansion and manufacture of new products***

Our company is under the process of commissioning plant for Thin & Thick Medium Density Fibre board (MDF) and other Panel Board Manufacturing facility at Achutapuram Dist. Vishakhapatnam with installed capacity of 800 CBM per day. Our diversification into MDF manufacture is in furtherance of our strategy of increasing our share in the mid-market segment, which is the largest segment of the market. Capacity Expansion of MDF Board would reduce the dependency on import of MDF Board by end users. Thus we would be able to fulfill the demand of Indian market easily.

2. ***To develop export opportunities for our products***

In the Laminate division, the Company will continue to consolidate its market presence with increased focus on development of export markets. Global consumers expect high quality materials at par with international standards particularly with various certifications in place. As the Company has been awarded with ISO 9001:2015 for Quality Assured, ISO 45001:2018 for Health and Safety and ISO14001:2015 for Environmental System for all the units, it will help the Company for increasing export of the products of the Company.

3. ***Strengthen our brand value and create awareness for our new products***

The industry is seeing a shift in market share from the unorganised to the organised sector. We seek to capture a greater market share in this environment and it is important to invest in the brand to strengthen the top of the mind recall and consequently we shall continue to invest in our brands. Since the industry is highly

unorganized, a good distribution network is essential in this industry. We are focusing on expanding on our distributorship network by opening new marketing offices or by way of appointment of new distributors, including smaller towns and rural areas. We believe that smaller towns in suburban India would be the new emerging realty hubs for development of residential and commercial complexes and intend to position ourselves to capitalize on these emerging opportunities.

4. ***Tapping large real estate developers and corporate bodies***

As organised real estate development started growing in India, we realised that it was imperative to tap large real estate players. Since the buyers in organised real estate market are more sophisticated with better understanding of the market and pricing, a direct marketing approach to them was adopted. We approach large corporate houses to market our products and ensure secondary sales through our dealers and distributors.

**Description of our Business**

We commenced our operations in the year 1993 when our Promoters acquired a laminate manufacturing unit situated at plot no. 608, GIDC, Mansa District, Gandhinagar, Gujarat to set up our first manufacturing facility for decorative laminate sheets with an installed capacity of 840000 laminate sheets per annum. In the year 1998 we expanded our manufacturing operations by setting up another manufacturing unit under the name "Mica Rushil Private Limited" situated at Dholakuva, Near Limbodra Patia, Gandhinagar – Mansa road, Tal. Kalol, District, Gandhinagar for manufacturing decorative laminated sheets with an installed capacity of 1680000 laminate sheets per annum. With an intention to strategically expand our manufacturing operations, in the year 2002 we established another manufacturing unit at village Itla, Near Kalyanpur Patia, Gandhinagar, Mansa Road, Tal. Kalol, District, Ghandhinagar under the name "Rushil High Pressure Laminates Private Limited" of manufacturing decorative laminated sheets with an installed capacity of manufacturing 480000 laminate sheets per annum .

Mica Rushil Private Limited and Rushil High Pressure Laminates Private Limited, our erstwhile group companies and our Company have analogous nature of business and with a view to integrate the business synergies and to facilitate optimum utilization of the available resources, our group companies were amalgamated with our Company vide an order dated January 23, 2007 passed by the Hon'ble High Court of Gujarat at Ahmedabad. The consolidation was done with the intention to broaden our customer base and improve our productivity with a business approach for optimization. A mix of the financial, managerial and technical resources of the companies along with the combined expertise and capabilities of the personnel would warrant for an increased competitive strength, cost reduction, logistics advantage and optimum productivity.

Thereafter, our Company forayed in to manufacturing of MDF**,** in the year 2012, we established MDF manufacturing unit at Chikmagalur, Karnataka with an installed capacity of 90000 CBM per annum. Thereafter, in the year 2018, we diversify the products portfolio by introducing new product named "PVC Board" with capacity of 12480 CBM per annum at the existing manufacturing unit at Chikmagalur, Karnataka. After considering the huge demand of MDF Board in the Global Market, we established another MDF manufacturing unit at Atchutapuram, District: Visakhapatnam, Andhra Pradesh with an installed capacity of 240000 CBM per annum.

**Product Focus**

| Brands | Products | Manufacturing |
|---|---|---|
| | Laminates | • 03 Manufactured in the units located in Gujarat<br>• Aggregate Capacity of ₹ 34.90 lakhs p.a<br>• Capacity utilization- 82.60% |
| | MDF | • Manufactured in the units situated in Karnataka and Andhra Pradesh<br>• Capacity- 300 CBM/PD at Karnatak and 800 CBM/PD at Andhra Pradesh<br>• Capacity utilization- 90.60% at Karnataka |

| Brands | Products | Manufacturing |
|---|---|---|
| VIR PVC | PVC | • Manufactured in the manufacturing unit situated in Karnataka<br>• Aggregate Capacity- 5760 MT/P.A |

**Revenue Mix**

| Sr. No. | Product | Sales (Rs. In Lakhs) | Profit (+)/ Loss (-) before Tax and Interest: (Rs. In Lakhs) | % of Profit (+)/ Loss (-) before Tax and Interest |
|---|---|---|---|---|
| **1** | Laminates | 18193.93 | 1197.96 | 6.58% |
| **2** | MDF | 15570.52 | 1095.45 | 7.04% |
| **3** | PVC | 609.76 | -337.72 | -55.39% |

**Our Products**

1. **Medium Density Fiber Board (MDF)**

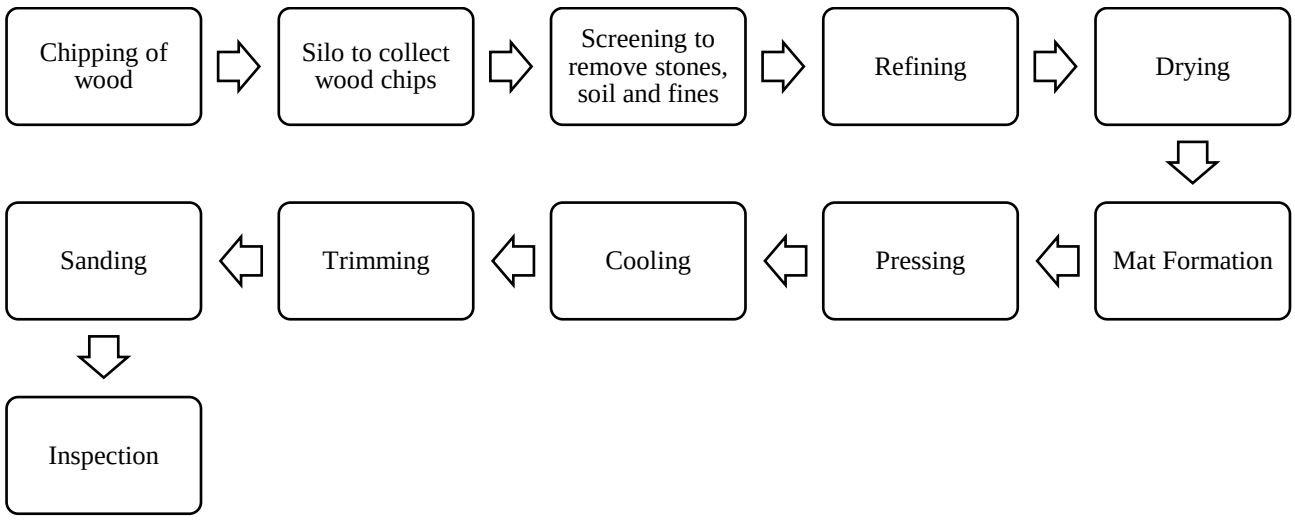
MDF is widely used in the manufacture of home and office furnishings, furniture, door parts, moldings, millwork and laminate flooring. MDF panels are manufactured in a variety of dimensions and densities depending upon the end use of the MDF panels which provides us with an opportunity to experiment with the designs and the dimensions of our MDF products. MDF is crafted under special observation and developed in a way that the combination of design paper's grains and texture grains match, making the product look special. These special laminated are robust, easy to clean, lightfast and characterized by low emissions to keep their texture and colour intact for a long period of time. MDF has enhanced flexibility and malleability to make it ideal for both horizontal and vertical applications for table tops, furniture tops, etc. The laminate prevents water seepage and retains moisture. It is double hardened, therefore has excellent screw-holding ability and edge-finishing characteristics.

MDF has versatile application primarily in paneling and finds use in wide range of residential and commercial furniture, wall paneling, moldings, architectural moldings, industrial production, sports goods, speaker boxes, display cabinets, CNC routing, office equipment, flooring, ceilings, doors and partitions, cornice and pelmets. The demand for MDF based laminate flooring is also increasing in India day by day and most of the demand is satisfied by MDF imports. There is huge potential in India for MDF Board products.

*Raw Materials*

The principle raw material for the manufacture of MDF is timber, eucalyptus and poplar which are easily available from the agro-forestry plantations. We have not entered into any tie-ups for the supply of raw materials.

*Manufacturing Process*



MDF is manufactured in our manufacturing units situated in Karnataka and Andhra Pradesh, following are the details of the utilities which are installed in our manufacturing units to supplement the manufacturing of MDF:

***a) Water***

Water requirement for our manufacturing unit situated at Karnataka is met through the supply provided by Karnataka Industrial Area Development Board and through a bore well installed in the manufacturing unit,

For our manufacturing unit situated at Andhra Pradesh, the water will be supplied by the local municipal corporation in state of Andhra Pradesh.

***b) Electricity***

Our Company's Karnataka manufacturing unit has been sanctioned by Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited. We also have standby generator sets for use during the emergency or shut down period.

For our manufacturing unit situated at Andhra Pradesh, we intend to source the power from State Power Authority.

***c) Technology***

MDF is made of Eucalyptus & silver-oak wood fibers are boned under high pressure using thermosetting resins, to create a strong, uniform board at our state-of-the-art manufacturing facilities with the latest German technology.

***d) End Users***

The end-user includes residential, non-residential and transportation. Residential sector is the dominant end-user.

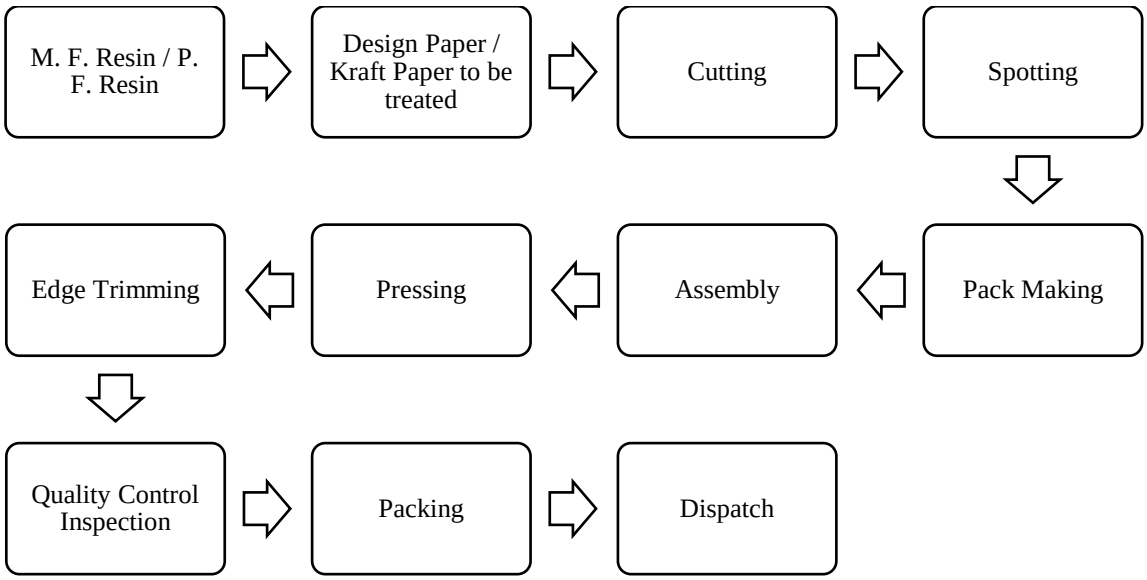
2. **Decorative Laminates**

As the name suggests laminates are used primarily for decorative purposes as a top layer in home furniture item like cabinets, cubicle storage units, counter tops, tabletops, cupboards, etc. and have various applications like wall paneling, column cladding, vanity units, office partitions, shelf, signage, etc. Our Company commenced its operations by manufacturing laminates, presently we manufacture laminates in the three manufacturing units situated in Gujarat.

*Raw Materials*

The principal raw material used in the manufacture of laminates comprises of kraft and decorative paper, phenol, formaldehyde and melamine. Kraft paper is sourced domestically and is also imported for ensuring optimum quality. The principal chemicals required for the manufacture of laminates are phenol, methanol and melamine sourced from domestic as well as overseas markets depending upon the price and credit terms.

*Manufacturing Process*




Laminates are manufactured in our manufacturing units situated in Gujarat, following are the details of the utilities which are installed in our manufacturing units:

***a) Water***

The water requirement for manufacturing decorative laminated sheets is met through Gujarat Industrial Development Corporation and through local vendors.

***b) Electricity:***

Each of our manufacturing units in Gujarat have necessary power sanctions from Uttar Gujarat Vij Company Limited.

***c) Technology***

VIR High Pressure Laminate ("HPL") is crafted from distinctively selected decorative papers and absorbent Kraft paper infused with melamine and phenolic resins. HPL holds superior dimensional stability as it is pressed and hardened under heat and high pressure. This makes VIR laminates resistant against scratches, stains and even boiling water. Available in 506 plus designs, 49 textures and finishes, these laminates can take on the wear and tear of time.

***d) End Users***

The end-user includes residential, non-residential and transportation. Residential sector is the dominant end-user.

3. **PVC**

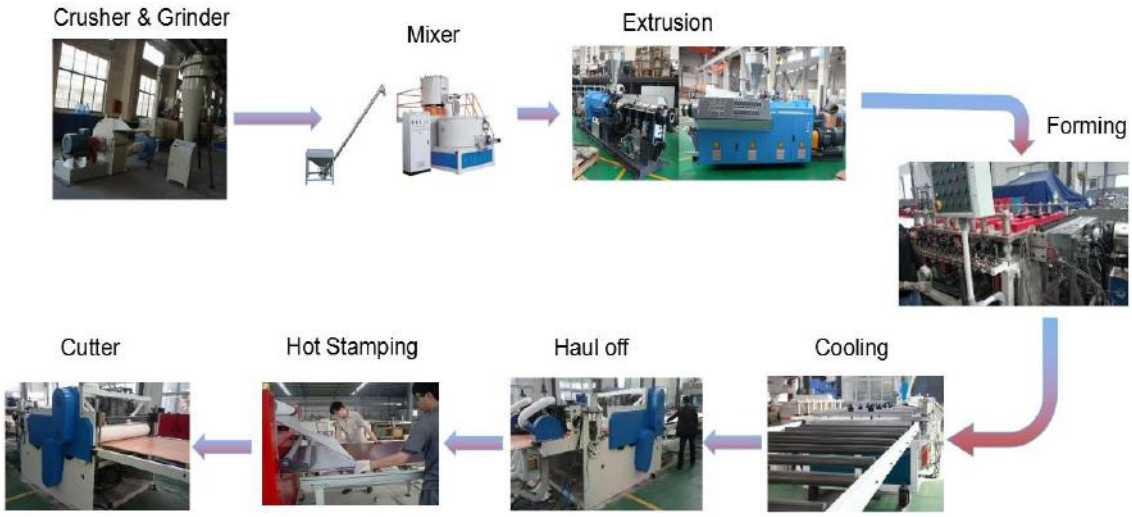
Precise formulation of PVC foam board has made it highly durable product. Latest technical processing unit has enhanced its quality of high resistance to heat, moisture, sunlight and other environmental factors. PVC board manufactured by us are termite and pest proof, waterproof, fire retardant, long lasting, flexible in build and carpenter friendly. Therefore, it has countless uses in furnishing indoors and outdoors.

It is built with standardize techniques to offer consistent quality and keeping in the mind its varied applications. It is available with standard size range and can be provided with custom features with different size range.

*Raw Materials*

PVC foam board are prepared by using raw materials like PVC resin, Calcium Carbonate (CaCO3), and auxiliary chemicals. These raw materials are mixed together in proportion depending upon the density required of the final product.

*Manufacturing Process*




PVC is manufactured in our manufacturing unit situated in Karnataka; following are the details of the utilities, which are installed in our manufacturing unit:

***a) Water***

Water in our Karnataka manufacturing unit is supplied by Karnataka Industrial Area Development Board and borewell installed in the manufacturing unit.

***b) Electricity***

Our Company's Karnataka manufacturing unit receives power supply from Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited. We also have standby generator sets for use during the emergency or shut down period.

***c) Technology***

Latest technical processing unit has enhanced its quality of high resistance to heat, moisture, sunlight and other environmental factors.

***d) End Users***

The end-user includes residential, non-residential and transportation. Residential sector is the dominant end-user.

**Collaboration**

We have not entered into technical, marketing or financial collaboration.

**Quality Control**

The Company has quality assurance and control team which consists of 13 qualified and experienced professionals. Quality Assurance and Control Team is responsible for monitoring the functions of all three units at Gujarat. Our Company following SOPs for achieving optimum quality of our products. SOPs have been prepared based on principle prescribed by ISO standard. Our Company has been awarded with ISO 9001:2015 for Quality Assured, ISO 45001:2018 for Health and Safety and ISO14001:2015 for Environmental System for all the units.

**Inventory management, Warehousing and Logistics**

**Distribution and Marketing Network**

We have a nationwide and global marketing and distribution network of distributors, stockists, depots, branches and dealers for Laminates. Following are the details as on March 31, 2020:-

| Brands | Products | Marketing & Distribution |
|---|---|---|
| | Laminates | Consignment Stockist-<br>• Depots- 01<br>• Branches- 04<br>• Dealers- 1,950<br>• Geographies- India, Australia, Gulf & Middle East, Indonesia, Rest of Asia Pacific |

We have a nationwide marketing and distribution network of distributors, stockists, depots, branches and dealers for MDF and PVC. Following are the details as on March 31, 2020:-

| Brands | Products | Marketing & Distribution |
|---|---|---|
| | MDF | • Consignment Stockist- 01<br>• Depots- 02<br>• Branches- 01<br>• Dealers- 1,150<br>• Geographies- India |

| Brands | Products | Marketing & Distribution |
|---|---|---|
| | PVC | • Branches- 01<br>• Geographies- India |

**Utilities:**

***Power***

Each of our manufacturing units in Gujarat receives power supply from Uttar Gujarat Vij Company Limited. Our manufacturing unit situated Karnataka receives power supply from Mangalore Electricity Supply Company (MESC) and Manikaran Power Limited. For our manufacturing unit situated at Andhra Pradesh, we intend to source the power from state power authority.

***Steam/ Fuel***

We have installed smoke cum tube boiler in our manufacturing units situated in Gujarat and Karnataka. We use coal as fuel for the boilers, further the steam generated from the boiler is used to run the dryer and press machine as well as in effluent treatment plant.

***Water***

Our manufacturing unit situated in Gujarat get their water supply from Gujarat Industrial Development Corporation. In case of any additional requirement the water is sourced from local vendors. Water for the manufacturing unit situated at Karnataka is supplied by Karnataka Industrial Area Development Board and we

have also installed a borewell in the manufacturing unit. In the proposed manufacturing unit located in Andhra Pradesh, the water will be supplied by the local municipal corporation.

***Waste Management***

The Company has taken membership of Saurashtra Enviro Projects Private Limited, an integrated common hazardous waste management facility for all three units situated at Gujarat.

For the proposed manufacturing unit situated at Andhra Pradesh, we intend to set up an energy plant which uses waste wood, trimmed waste from plant, wood dust and converts the same to fuel. The fuel generated can be used to operate dryers installed in the manufacturing unit and can be used to supply heat for carrying out other supplementary functions of the unit.

**Branding and Advertising**

Our Company has marketing and brand strategy for its products. Our Company regularly invites selected distributors and dealers at plants to inform them about the new developments or of the introduction of new products. This enables to gain confidence of the distributors and dealers to promote the product. The interaction with the distributors and dealers is helpful to get the market feedback and change the product as per the customer's requirement.

**Human Resources**

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. As on 15th June, 2020 we had 529 full time employees. The following table sets forth a bifurcation of the number of our employees as of 15th June, 2020:

| Sr. No. | Description | No. of Employees |
|---|---|---|
| 1 | Top Managerial Personnel | 9 |
| 2 | Finance & Accounts Personnel | 33 |
| 3 | Secretarial and legal Personnel | 2 |
| 4 | Human Resource Personnel | 20 |
| 5 | Production Personnel | 162 |
| 6 | Sales & Marketing Personnel | 137 |
| 7 | Purchase & Project Personnel | 7 |
| 8 | Import & Export Personnel | 5 |
| 9 | Information Technology Personnel | 7 |
| 10 | Branding Personnel | 4 |
| 11 | Maintenance Personnel | 101 |
| 12 | Supervisory Staff | 30 |
| 13 | Stores & Security Personnel | 12 |
| | **Total** | **529** |

**Competition**

We face competition from the unorganized sector. Our major competitors in Laminate are, Greenlam Industries Limited, Alfa Ica (India) Limited, Bloom Dekor Limited, Archidply Industries Limited. Our major competitors in MDF are Century Plyboards (I) Limited, Greenpanel Inustries Limited, Greenply Industries Limited, Shirdi Industries limited, Action Tesa, Manglam Timber Products Limited, Bajaj Eco-tech Products Limited.

**Intellectual Property**

We own a number of trademarks and copyrights in India relating to our brands under several classes. The registered trademarks are valid for a period of 10 years from the date of application or renewal. Copyrights are valid for 60 years after the death of the author from the end of the year in which the work was first published. For further details, see "*Government and Other Approvals*" and "*Risk Factors*" on page 207and 28 respectively.

**Information Technology**

Our Company has sufficient IT infrastructure to generate various MIS reports required for Accounts, Finance control and operational control. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements and maintaining secure

enterprise operations.

**Warehouse**

We have one warehouse where we stock finished goods and one godown where we store raw materials. Our warehouse and godown have been taken on a leave and license basis from one of our Group Companies and members of our Promoter Group.

**Our Immovable Properties**

We carry out our business operations from the following properties:

a) Freehold property:

| Sr. No. | Particulars of the Property | Usage |
|---|---|---|
| 1. | Block Nos.155, 156, 167, 168 and 169 situated at Village Dholakuva, Near Limbodra Patia Mansa Road, Tal. Kalol- 382 721, Gujarat, India. | Registered Office and manufacturing unit for manufacturing decorative laminated sheets. |
| 2. | Block No. 125, Village Itla, Near kalyanpur Road, Mansa Road, Tal. Kalol- 382 845, Gujarat, India. | |
| 3. | Plot No. 15B1, 15B2, 15L, 15C, 15K, 15D1 and 15D, De-notified Area-APSEZ, District: Visakhapatnam- 530 015, Andhra Pradesh. | Manufacturing unit for thick and thin MDF Board. |
| 4. | Flat No 1 in Krinkal Apartment, Sub Plot No 5, Final Plot No 229 paiki , T.P Scheme No 3/6, Ahmedabad – 380 007, Gujarat, India | The property has been leased out by our Company |

b) Leasehold property:

| Sr. no. | Details of the Deed/Agreement | Particulars of the property, description and area | Consideration/ License Fee/Rent | Tenure/ Term | Usage |
|---|---|---|---|---|---|
| 1. | Leave and License Agreement dated February 15, 2020 executed between Krupesh Ghanshyambhai Thakkar ("**Licensor**") and our Company ("**Licensee**"). | Corporate House situated at Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad-380058, Gujarat, India. | ₹ 5,51,250/- per month | A period of 11 months 28 days, commencing from April 01 2020, ending on March 28, 2021 | Corporate Office |
| 2. | Leave and License Agreement February 15, 2020 executed between Rushil Thakkar ("**Lessor**") and our Company ("**Lessee**"). | Land situated at Village Dholakuva, Tal. Mansa, Dist. Gandhinagar having R.S. No. 171 measuring 1214 Sq. Mtr. | ₹ 45,000 per month | A period of 11 months 28 days, commencing from February 15, 2020, ending on February 12, 2021 | Warehouse for storing finished goods. |
| 3. | Leave and License Agreement dated February 15, 2020 executed between M/s Ratnatej Infrastructure Private Limited ("**Licensor**") and our Company ("**Licensee**"). | Plot number 607, GIDC, Mansa district, Gandhinagar-382 845, Gujarat, India | ₹ 10,000 per month | A period of 11 months 28 days, commencing from April 01 2020, ending on March 28, 2021. | Godown for raw materials. |

**Capacity utilization**

*a) Laminates*

| Year | Installed Capacity (In No. of Sheets) | Actual capacity utilization (In No. of Sheets) |
|---|---|---|
| **2020** | 3492000 | 28,50,171 |
| **2019** | 3492000 | 28,85,719 |

| Year | Installed Capacity (In No. of Sheets) | Actual capacity utilization (In No. of Sheets) |
|---|---|---|
| **2018** | 3492000 | 33,78,361 |

*b) MDF*

| Year | Installed Capacity (In CBM) | Actual capacity utilization (In CBM) |
|---|---|---|
| **2020** | 90000 | 85,226 |
| **2019** | 90000 | 81,565 |
| **2018** | 90000 | 86,556 |

*c) PVC*

| e) Year | Installed Capacity(In CBM) | Actual capacity utilization (In CBM) |
|---|---|---|
| **2020** | 12480 | 1,657.44 |
| **2019** | 12480 | 2,026.50 |
| **2018** | 12480 | 535.00 |

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company and its business. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the LM are under no obligation to update the same.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.*

### *A. Business and Trade Related Laws and Regulations*

#### *Copyright Act, 1957*

The Copyright Act, 1957 ("***Copyright Act***") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematographic films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act applies to nationals or all member states of the World Trade Organisation.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favouring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for the lifetime of the creator plus sixty (60) years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

#### *Trade Marks Act, 1999*

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("***Trade Mark Act***") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. 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. Once granted, trademark registration is valid for ten years, unless cancelled, and may be renewed indefinitely upon payment of renewal fees every ten years. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trade Mark (Amendment) Act, 2010 has been enacted by the Government to amend the Trade Mark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

In March 2017, the Trade Marks Rules, 2017 ("***Trade Mark Rules***") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Marks Rules brought with them some changes in the application process, in terms of an increase in application fees and common formats for multiple kinds of applications. However, the e-filing process has been incentivized by providing lower application fees. With the Trade Mark Rules, the definition of "Opposition" also saw a change to encompass a greater. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

#### *Indian Patents Act, 1970*

The purpose of the Indian Patents Act, 1970 is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the terms of the patent. An invention means a new product or process involving an inventive step capable of industrial application. An application for a patent can be made by (a) a person claiming to be the true and first inventor of the invention; (b)

a person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application.

***Design Act, 2000 and Design Rules, 2001***

Under the Design Act, 2000, designs of articles, which serve the purpose of visual appeal, can be registered. The designs should represent a shape, configuration, pattern, or ornamentation of an article. The design should be capable of being applied to an article to enhance its appeal to the eye and which only add to the aesthetic value of the article. Designs should be incorporated to the article by an industrial process or means, and designs which are solely functional, or the principal or the mode of construction of an article shall not be the subject matter of registration. The design must also be new or original and not previously published or used in any country before application for registration.

***The Bureau of Indian Standards Act, 2016***

The Bureau of Indian Standards Act, 2016 (the "***BIS Act***") provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of the activities, *inter alia*, standardization, marking and quality certification of goods. Functions of the BIS include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. We are required to obtain mandatory BIS certification for some of our products. For details, please refer to the chapter titled "*Government and Other Approvals*" on page 207 of this Draft Letter of Offer.

***Factories Act, 1948***

The Factories Act, 1948 (the "***Factories Act***") regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the '*Occupier*' (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the "***Act***") governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the

development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the '*Scheduled Industries*' which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 ("***Act***"), received the assent of the President of India on January 13, 2010. The Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weights, measures or numbers. It also states that any transaction/contract relating to goods/class of goods shall be as per the weights/measurements/numbers prescribed under the Act. Every unit of weight or measure shall be in accordance with the metric system based on the international system of units. Using or keeping any weight or measure otherwise than in accordance with the provisions of the said Act is an offence, as is considered as tampering or altering any reference standard, secondary standard or working standard. Moreover, the Act prohibits any person from quoting any price, issuing any price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of this Act. The administration of the Act and regulation of pre-packaging of commodities is done with the help of Legal Metrology (Packaged Commodities) Rules, 2011, (the "**Rules**") which require every manufacturer, packer and importer who pre-packs or imports any commodity for sale, distribution or delivery to get himself registered under these Rules. Additionally, the Rules also bar anyone from pre-packing or causing or permitting pre-packaging any commodity for sale, distribution or delivery unless a declaration in respect to such pre-packaging has been made on the package in accordance with these Rules.

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

The Standards of Weights and Measures Act, 1976 (the "***Act***") was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

***Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 ("***COPRA***") will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA will bring e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA will also provide for mediation cells for early settlement of the disputes between the parties.

***Information Technology Act, 2000***

The Information Technology Act, 2000 (the "***IT Act***") creates a liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing with, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries

with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines, and imprisonment for various computer related offences. These include offences relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material etc. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 under Section 43A of the IT Act and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act.

***Electricity Act, 2003***

The Electricity Act, 2003 (the "***Electricity Act***") was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission established under the Electricity Act.

***Indian Boilers Act, 1923***

The Indian Boilers Act, 1923 (the "***Act***") consolidates and amends the law relating to steam boilers. This Act was enacted with the objective of providing for the safety of life and property of persons from the dangers of steam boilers and for achieving uniformity in registration and inspection during the operation and maintenance of boilers in India. The owners of boilers which are not exempted from this Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the sire of erection, and with the documents, he may register the boiler and assign a register number thereto and also issue a certificate to the owner authorising the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under this Act. The certificate may be renewed upon expiry or if there has been an accident with the boiler. Any contravention to the provisions of this Act shall be punishable with imprisonment, which may extend to two (2) years or with fine which may extend to ₹ 1 lakh or with both.

***Shops and Establishments Legislations***

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

***Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 (the "***T.P. Act***") governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

***Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 (the "***Sale of Goods Act***") governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

***The Registration Act, 1908***

The Registration Act, 1908 (the "***Act***") was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provides the sub-registrars and other officers the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

***Indian Stamp Act, 1899***

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list mentioned in the Seventh Schedule of the Constitution of India, is governed by the provisions of the Indian Stamp Act, 1899 (the "***Act***"), all others instruments are required to be stamped, as per the rates laid down by the State Governments. Stamp duty is required to be paid on such category of transaction documents laid down under the various laws of the states, which denotes that stamp duty was paid before the document became legally binding. The stamp duty has to be paid on such documents or instruments and at such rates which have been specified in the First Schedule of the Act. Instruments as mentioned in the said schedule of the Act, if are not duly stamped are not admissible in the court of law as valid evidence for the transaction contained therein. The Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the relevant authorities and validated by imposing of penalty on the parties. The amount of penalty payable on such instruments may vary from state to state.

***B. Environment Related Laws***

The National and State governments are jointly responsible for the sustainable management of the forest resource. Since our Company deals primarily in manufacturing activities relating to wood waste and Agro forestry, there are

various environmental and forest specific laws that are required to be taken into consideration. By virtue of the 42nd amendment to the Constitution of India in 1976, the subject matter of '*forest'* was brought from the state list to the concurrent list empowering the Central Government to legislate on this subject. In India, various state governments have enacted their own Forest Acts or made an amendment to the Indian Forest Act, 1927. Further, the Indian Forest Act, 1927 empowers the state government to enact rules to regulate various aspects of forest management such as prescribing procedure for issuance of transit pass, setting up of saw mills, saw pits etc. In a practical sense, the State forest departments act as the custodians of the public forest resource and as the forest authorities, managing the forest resources in the basis of the forest management plans that they submit to the central government.

Our manufacturing facilities have been granted the requisite permissions from the state forest authorities and the Central Empowerment Committee. Our manufacturing activities are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forest of Government of India, Saw Mill Rules, the State Forest Policy, State Pollution Control Board and Central Empowered Committee. These include laws and regulations about cutting of trees, discharge of effluents, polluted emissions, hazardous substances etc. On wood based industries, the Hon'ble Supreme Court of India has given specific directives from time to time and the same would be applicable to our Company as well. Laws relating to excise, customs, GST, factory and labour related matters etc. are applicable to our Company, as they are applicable to other manufacturing establishments. The applicable environmental laws are summarized below:

***Indian Forest Act, 1927***

The Indian Forest Act, 1927 ("***Forest Act***") is India's guiding forestry legislation that seeks to consolidate and preserve areas with forest cover or significant wildlife, to regulate movement and transit of forest produce, and to levy duties on timber and other forest produce. It lays out the procedure by which a State government can declare an area a Reserved Forest, Protected Forest or a Village Forest. It also defines what is a forest offence, what are the acts prohibited inside a Reserved Forest, and what penalties occur on violation of the provisions of the Forest Act. The Forest Act gives the State Governments the power to formulate rules to regulate matters such as the cutting, sawing, conversion and removal of trees and timber, and the collection, manufacture and removal of forest-produce from protected forests; the granting of licenses to persons felling or removing trees or timber or other forest-produce from such forests for the purposes of trade, and production etc.

***Forest (Conservation) Act, 1980 (the "Act")***

The Act was promulgated to provide for the conservation of forests and for matters connected therewith or ancillary or incidental thereto. The Act prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the GoI. The Ministry of Environment and Forests ("***MoEF***") mandates that Environment Impact Assessment ("***EIA***") must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 ("***EIA Notification***") under the provisions of the Environment Act, prescribes that new construction projects require prior environmental clearance from the MoEF. The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft 'EIA Report' and the 'Environment Management Plan.' The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to given its decision within 105 days of the receipt of the final EIA Report.

***Saw Mill Rules***

Under the Forest Act, State Governments are required to make rules on the governance of wood based industrial units and saw mills. The method of obtaining a license to run such an industry has been prescribed under the acts that differ from state to state.

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

The Air (Prevention and Control of Pollution) Act, 1981 ( the "***Act***") aims to prevent, control and abate air pollution and pursuant to the provisions of this Act, 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 Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to the consent granted. 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 State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of fine extending up to ₹ 10,000.

Under the said Act, the Central Pollution Control Board has powers, inter alia, to specify standards for the quality of air, while the State Board has the power to inspect any control equipment, industrial plant or manufacturing process, to advice 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.

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

The Water (Prevention and Control of Pollution) Act, 1974 (**"*Water* Act"**) aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the said Act include the imposition of fines or imprisonment, or both.

The Central Pollution Control Board has the powers, inter alia, to specify and modify standards for stream and wells. The State Pollution Control Board has powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other date relating to plants set up for treatment of water. The State Board also has the power to evolve efficient methods of disposal of sewage and trade effluents on land, to advice the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or well and to specify standards for treatment of sewage and trade effluents.

***Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules")***

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and state PCBs for the prevention and control of water pollution. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, inter alia, standards for meters and places where they are to be affixed and the furnishing of returns by consumers.

***The Environment Protection Act, 1986***

The Environment Protection Act, 1986 (the "***Act***") has been enacted for the protection and improvement of the environment (which includes water, air, land, human beings, other living creatures, plants, microorganisms, etc.) and for matters connected therewith. The Act empowers the Central Government to take measures to protect and improve the environment such as by laying down standards of emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate, prohibitions and restrictions regarding the handling of hazardous substances and location of industries and so on. The Central Government is empowered by the Act to constitute authority or authorities for the purpose of exercising and performing such powers and functions, to appoint a person for inspection, for analysis of samples and for selection of notification of environmental laboratories.

***Hazardous Wastes (Management, Handling and Transboudary Movement) Rules, 2008***

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 **("*Hazardous Waste* Rules")** define the term 'hazardous waste' and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an 'occupier'. In terms of the Hazardous Waste

Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective State Pollution Control Board for generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the life of the hazardous waste.

***The Noise Pollution (Regulation and Control) Rules, 2000***

The Noise Pollution (Regulation and Control) Rules, 2000 (the "Rules") aim to regulate and control noise producing and venerating sources with the objective of maintaining the ambient air quality standards in respect of noise. The Rules declare different areas or zones each permitting for different ambient air quality standards in respect of noise and the noise levels shall not exceed this limit, as prescribed by the Schedule. The Rules also prescribe methods to cut down on noise from various sources including industries, such as by mounting machinery, using insulating screens and suitable ducts, etc.

***Plastic Waste Management Rules, 2016 ("Plastic Waste Rules")***

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Further, the Plastic Waste Rules seek to minimise and regulate of plastic and ensure proper collection and disposal of plastic waste.

***National Environment Policy (the "Policy")***

The present national policies for environmental management are contained in the National Forest Policy, 2018, the National Conservation Strategy and Policy Statement on Environment and Development, 1992, the Policy Statement on Environment and Development, 1992; and the Policy Statement on Abatement of Pollution,1992. Some sector policies such as the National Agriculture Policy, 2018; National Population Policy, 2000; and National Water Policy, 2012 have also contributed towards environmental management. All these policies have recognized the need for sustainable development in their specific contexts and formulated necessary strategies to give effect to such recognition. The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. It does not displace, but builds on the earlier policies.

The Objectives of the Policy are as follows:

- Conservation of critical environmental resources
- Intra-generational equity: Livelihood security for the poor
- Inter-generational equity
- Integration of environmental concerns in economic and social development
- Efficiency in environmental resource use
- Environmental governance
- Enhancement of resources for environmental conservation

The Policy evolved from the recognition that only such development is sustainable, which respects ecological constraints and the imperatives of justice. The objectives stated above are to be realised through various strategic interventions by different public authorities at Central, State and Local government levels. They would also be the basis of diverse partnerships. The principles followed in the Policy are:

- Human beings are the centre of sustainable development concerns
- Right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.
- In order to achieve sustainable development environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.
- Where there are credible threats of serious or irreversible damage to key environmental resources, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.
- In various public actions for environmental conservation, economic efficiency would be sought to be realised.

### *C. Foreign Investment related Laws and Regulations*

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") read with the applicable FEM Rules. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The DIPP (now DPIIT) makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEM Rules. In case of any conflict, the FEM Rules prevail. Therefore, the regulatory framework, over a period of time consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DIPP (now DPIIT) issued the FDI Policy which consolidates the policy framework on FDI issued by DIPP (now DPIIT), in force on August 28, 2017 and reflects the FDI policy as on August 28, 2017. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP (now DPIIT). As per the FDI Policy, FDI up to 100% is permitted in wholesale trading under automatic route and upto 51% is permitted in multi brand retail trading under the government route subject to certain conditions prescribed under FDI policy.

***The Foreign Exchange Management Act, 1999***

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("***FEMA***") and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2017 by Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 ("***FEMA Regulations***") to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals are required from the RBI for Foreign Direct Investment ("***FDI***") under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

***The Foreign Trade (Development and Regulation) Act, 1992 and the Rules framed thereunder***

The Foreign Trade (Regulation and Development) Act, 1992 ("***FTA***"), and the rules framed thereunder, is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993 provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy.

The FTA prohibits anybody from undertaking any import or export under an Importer-Exporter Code member ("***IEC***") granted by the Director General of Foreign Trade pursuant to Section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

### *D. Employment Related Laws*

- Contract Labour (Regulation and Abolition) Act, 1970
- Minimum Wages Act, 1948
- Payment of Wages Act, 1936
- Workmen's/Employee's Compensation Act, 1923
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act, 1948
- Industrial Employment (Standing Orders) Act, 1946
- Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972

- Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976
- Public Liability Insurance Act, 1991
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Employers' Liability Act, 1938
- The Personal Injuries (Compensation Insurance) Act, 1963
- Apprentices Act, 1961
- Child Labour (Prohibition and Regulation) Act, 1986

***E. Tax Related Laws***

***Finance Act, 2020***

The Finance Act, 2020 received the assent of the President on March 27, 2020 and came into force on April 01, 2020 to give effect to the financial proposals of the Central Government for the financial year 2020-21. This Act contains necessary amendments in direct and indirect taxes signifying the policy decisions of the Union Government for the year 2020-21.

***Income Tax Act, 1961***

The Income Tax Act, 1961 is applicable to every domestic and foreign company whose income is taxable under the Provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of income" involved. Under Section 139(1), every company is required to file its Income Tax Return for every Previous Year by October 31 of the Assessment Year. Other compliances like those relating to tax deductions and exemptions, fringe benefit tax, advance tax and minimum alternative tax, etc., are also required to be complied with by every company.

***Goods and Service Tax (GST)***

Goods and Service Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It is governed by the GST Council and provides for the imposition of tax on the supply of goods or services and will be levied by the Centre on intra-State supply of goods or services and by the States including Union Territories. A destination based consumption tax GST would be a dual GST with the Centre and State simultaneously levying tax with a common base. The GST law is enforced by various laws, namely the Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

These enactments replace the following indirect taxes and duties at the Central and State levels: Central Excise Duty, Duties of Excise, additional duties on excise – goods of special importance, textiles and textile products – special additional duty of customs, Service Tax, Central and State Surcharges and cesses relating to the supply of goods and services, State VAT, Central Sales Tax, Luxury Tax, Entry Tax, etc.

***Taxes on professions, trades, callings and employment***

Article 276 of the Constitution of India, 1949 authorizes the states to levy taxes on the professions, trades, callings or employments for the benefit of the State or of a municipality, district board, local board or other local authority. The respective States of India have enacted laws with respect to registration and enrollment of employers, issue of licenses, amount of professional taxes, which have to be levied on various professions and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

***The Customs Act, 1962***

The Customs Act came into force in India with effect from February 01, 1963. The Customs Act deals with the levy of customs duty, the power of the central government to prohibits import and export of certain goods and prevention and detection of illegally imported goods. Section 8 of the Customs Act empowers the Commissioner of Customs to approve proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods. The Commissioner of Customs is also empowered to specify limits of any customs area. Under the Customs Act, the Central Board of Excise and Customs ("**CBEC**") is empowered to

appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as ICDs. Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Commissioner of Customs until they are cleared for home consumption or warehouse or transhipped. The custodian is required to keep a record of such goods and send a copy of the record to the designated officer. The customs shall not permit the goods to be removed unless approved by the designated authority. The Customs further provides that if the goods are pilfered while in the custody of the custodian, then such custodian shall be liable to pay duty on such goods. The said Act contains provision for levying the custom duty on imported goods, export goods, goods which are not cleared, goods warehoused or transhipped within 30 days after unloading etc. It also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc, subject to prescribed conditions.

The Customs Act provides for levy of penalty and/or confiscation of, inter alia, prohibited or dutiable goods that are imported into or exported from an area that is not appointed as a customs port or customs airport or are imported or exported without payment of requisite duty. Additionally, any owner of motor vehicle is required to obtain written permission from the Commissioner of Customs for transhipment of imported goods by a motor vehicle, pursuant to the Goods Imported (Conditions of Transhipment) Regulations, 1995. By a notification dated March 17, 2009, the CBEC and Customs has notified the Handling of Cargo in Customs Area Regulations, 2009 which specify the eligibility requirements and responsibilities of persons who are receive, store, deliver or otherwise handle imported goods in the customs area.

### *F. General Corporate and Other Allied Laws*

Apart from the above list of laws which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act, 1872, Specific Relief Act, 1963, Negotiable Instruments Act, 1881, Anti Trust law such as Competition Act, 2002 and corporate act namely Companies Act, 1956 and Companies Act, 2013 are also applicable to the Company.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as '*Rushil Décor Private Limited*' on May 24, 1993 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated November 19, 2007 our Company was converted into a public limited company subsequently, the name of our Company was changed to '*Rushil Décor Limited*' and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued to our Company by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The corporate identification number of our Company is L25209GJ1993PLC019532.

### Change in registered office of our Company

The registered office of our Company was originally situated at A-701, Fair Deal House, Near Swastik Char Rasta, Navrangpura, Ahmedabad – 380 009, Gujarat, India. Thereafter, the registered office of our Company was changed to the following address:

| Date of Change | New address | Reason for Change |
|---|---|---|
| February 12, 1998 | 1, Krinkal Apartment, Opposite: Mahalaxmi Temple, Near Mahalaxmi Char Rasta, Paldi, Ahmedabad – 380 007, Gujarat, India | Administrative convenience |
| August 20, 2007 | S. No. 125, Near Kalyanpura Patia, Gandhinagar – Mansa Road, Village Itla, Tal: Kalol, District: Gandhinagar - 382 845, Gujarat, India | Administrative convenience |

### Corporate profile of our Company

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 111, 139 and 172 respectively, of this Draft Letter of Offer.

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

| Year | Events |
|---|---|
| 1993 | Incorporation of our Company as a private limited company in the name of 'Rushil Décor Private Limited'. |
| 2007 | Our Company was converted into a public limited company, consequently the name of our company was changed to '*Rushil Décor Limited*' and a fresh certificate of incorporation dated December 04, 2007 consequent to the conversion was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. |
| | Our Company received an ISO 9001:2000 accreditation for implementation and maintenance of a quality management system in accordance with ISO in all our manufacturing units. |
| | Our Company received an ISO 18001:1999 accreditation certifying the compliance with occupational health and safety measures in all our manufacturing units. |
| | Our Company received an ISO 14001:2004 accreditation certifying the compliance with environmental management systems in all our manufacturing units. |
| | Approval received from the Hon'ble High Court of Judicature of Gujarat for the scheme of arrangement executed for merger of Rushil High Pressure Laminates Private Limited and Mica Rushil Décor Private Limited with our Company. |
| 2009 | Our Company purchased land at Chikmagalur, Karnataka for developing our new manufacturing unit for production of MDF board. |
| 2011 | The Equity Shares of our Company were listed on BSE and NSE. |
| 2012 | Our Company started the regular commercial production of MDF Board in the manufacturing unit situated at Chikmagalur, Karnataka. |
| 2019 | Our Company was honoured with '*Sir M. Visvesvaraya Manufacturing Excellence Award 2017-18*' under the award category of "Large Overall" by the Department of Industries & Commerce, Directorate of Large and Mega Industries Micro, Small & Medium Enterprises, Karnataka. |
| | Our Company received ISO 9001: 2015 and ISO 14001: 2015 accreditations for implementation and maintenance of a quality management system in accordance with ISO and Alcumus ISOQAR. |

| Year | Events |
|---|---|
| | Our Company received ISO 45001: 2018 certifying that our management systems are compliant with the said standard. |
| | Our Company received IS 2046: 1995 from the Bureau of Indian Standards certifying the compliance of standards while manufacturing Decorative Thermosetting synthetic Resin Bonded Laminated sheets in our manufacturing unit situated at 608, GIDC Mansa, Gujarat. |
| | Our Company received IS 14587 : 1998 from the Bureau of Indian Standards certifying the compliance of standards while manufacturing Prelaminated Medium Density Fibre Board. |
| 2020 | Our Company set up a manufacturing unit in Andhra Pradesh for manufacturing thick and thin MDF board. |

**Time and Cost Overrun**

Except as stated below, our Company has not experienced any significant time and cost overruns:

Due to the ongoing pandemic and the complete lockdown which was imposed by several State Governments and the Central Government, our Company was unable to timely start the regular commercial production of thick and thin MDF Board in our new manufacturing unit situated at Andhra Pradesh. Our Company had proposed to initiate the regular production in our new manufacturing unit from March 31, 2020, however due to the lockdown, the erection and installation of machinery in the plant suffered a delay. Due to the delay in the initiation of regular commercial production of the proposed manufacturing unit, our Company suffered a cost overrun of approximately ₹ 5,700 lakhs.For further details with respect to the risks associated with the time overrun experienced by our Company, please refer to "Risk Factor No. 04– "*We are facing time and cost overrun in commencing the regular commercial production of thin and thick MDF in our proposed manufacturing unit situated at Andhra Pradesh. We do not know if the said manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.*" in the chapter titled "*Risk Factor*" on page 31 of this Draft Letter of Offer.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

**Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation**

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years.

**Revaluation of assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

**Main Objects of our Company**

The main objects of our Company are as follows:

1. *To carry on the business as producers, manufacturers, factors, agents, deaiers, processors, packers, carpenters, importers, traders of decorative laminates, industriai laminates, sheeting, PVC leather cloth sheets, synthetic resins and plastic of all kinds and types, acrylic sheets, polythelene coated paper, laminated compressed boards, silicon coa:ed papers, decorative texturised coat, melamine formaldehyde moulding powder, phenolic melamine laminates, bonded and coated abrasives, silicon carbide crucibles, abrasive grains and all types, kinds, nature and size of laminated products, sheets, articles, materials of insulation, hard boards, compressed boards, wood flour, boards, sawdust boards, plywood, whether or not containing synthetic resins and/or other binding material whether material synthetic and/arsandwitch thereof, for industrial, commercial and domestic purposes/uses.*

2. *To carry on the business of manufacturer, dealer, trader, converter, importer, exporter of particle boards, pre-laminated particle boards, MDF, pre-laminated MDF, HDF, Pre-laminated HDF,HDF Flooring, Veneer,*

*Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Membrane Doors, Designer Door Skins, all types of Shutters, Wooden Frames & Carving Frames, Post Forming Laminates, Particle Board, Veneer, All types of Wooden Furniture, Modular furniture, Modular office furniture, Modular kitchen furniture, panel furniture and Furniture Components, Aluminum Sections, Coated Aluminum foil, Aluminum Drawn Section, Aluminum Profile, pvclplastic edge binding, Hardware, Fixtures & Fittings, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVS & Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading, importing and exporting and selling and stocking and in any other manner.*

3. *To carry on the business of manufacturing, mining, processing, extruding, rolling, foiling, melting, drawing, converting, buying, selling, dealing, trading, importing, exporting, all types of aluminum and aluminum products, sheets, sections, panels, angles, channels, racks, ladders, trolleys, powders, flaks, castings, metals, casting and forging of all types grades, qualities, shapes, categories, and description of ferrous and non-ferrous metals, iron, iron steel, alloys steels, alloy metal, pig irons, wrought irons, steel converters, rolled steel, makers, minerals, smelters, engineers, aluminum, iron and steel foundries, in all or any of their respective branches, metallurgical prospectors, explosers, contractors, agents and to establish workshops for the manufacture of all types of equipments, aluminum composition panels, by any process made of one or more nomination extrusion or otherwise different composition machine components and machineries made industries which the company can undertake and to deal in such equipment components and machineries and its derivatives of all types, styles and natures.*

4. *To carry on the business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, consultant, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, whole-salers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, merchandising, marketing, managing, leasing, renting, utilizing or electricity, steam, power, through wind energy and other non-conventional energy source such as solar energy, biomass energy, geothermal energy, hydel energy, tidal and wave energy and other energy sources and equipments thereof in India and outside of India.*

**Amendments to the Memorandum of Association**

No amendments have been made to the Memorandum of Association of our Company in the last ten (10) years.

**Holding Company**

As on the date of this Draft Letter of Offer, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Draft Letter of Offer, our Company does not have any subsidiaries.

**Associate or Joint ventures of our Company**

As on the date of this Draft Letter of Offer, our Company does not have any associates or joint ventures.

**Strategic and Financial Partners**

As on date of this Draft Letter of Offer our Company does not have any strategic and financial partners.

**Shareholders and Other Agreements**

There are no Shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

**Agreements with key managerial personnel or a Director or Promoter or any other employee of the Company**

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

This is a rights issue of Equity Shares of our Company and our Promoter is not offering his shares in this Issue.

**Material Agreements**

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fourteen (14) Directors. As on date of this Draft Letter of Offer, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole – time Director, one (01) Executive Director and three (03) Independent Directors, one of whom is also the woman director of our Company.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Ghanshyambhai Ambalal Thakkar**<br><br>**DIN:** 00208843<br><br>**Date of Birth:** November 18, 1943<br><br>**Designation:** Chairman and Whole- time Director<br><br>**Address:** 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India<br><br>**Occupation:** Business<br><br>**Term:** For a period of five (05) years w.e.f. September 1, 2017 and liable to retire by rotation.<br><br>**Nationality:** Indian | 76 | i. Ratnatej Infrastructure Private Limited |
| **Mr. Krupesh Ghanshyambhai Thakkar**<br><br>**DIN:** 01059666<br><br>**Date of Birth:** October 21, 1970<br><br>**Designation:** Managing Director<br><br>**Address:** 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India<br><br>**Occupation:** Business<br><br>**Term:** For a period of five (05) years w.e.f. September 1, 2017<br><br>**Nationality**: Indian | 49 | i. Shri Krupa Decorative Veneer Private Limited<br>ii. Ghanshyam Forwarder Private Limited<br>iii. Association of Indian Panelboard Manufacturer<br>iv. Ratnatej Infrastructure Private Limited |
| **Ramanik Tejabhai Kansagara**<br><br>**DIN:** 08341541<br><br>**Date of Birth:** September 15, 1963<br><br>**Designation:** Whole-time Director<br><br>**Address:** F-204, Mangalmurti Apartment, Near Siddhivinayak Bunglows, Pethapur, Gandhinagar – 382 610, Gujarat, India.<br><br>**Occupation:** Professional | 56 | Nil |

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Term:** For a period of four years w.e.f. August 01, 2020 and is liable to retire by rotation.<br><br>**Nationality:** Indian | | |
| **Shankar Prasad Bhagat**<br><br>**DIN:** 01359807<br><br>**Date of Birth:** June 10, 1951<br><br>**Designation:** Independent Director<br><br>**Address:** A-9, Sharin Park, Bodakdev Ahmedabad- 380 054, Gujarat, India.<br><br>**Occupation:** Professional<br><br>**Term:** For a period of five (05) years w.e.f. September 21, 2019<br><br>**Nationality:** Indian | 69 | i. Amrapali Capital And Finance Services Limited; and<br>ii. Minal Industries Limited |
| **Rohit Bhailalbhai Thakkar**<br><br>**DIN:** 06538323<br><br>**Date of Birth**: April 11, 1955<br><br>**Designation**: Independent Director<br><br>**Address**: 1717, Bharat Chowk, Kapdiwad, Raipur, Ahmedabad - 380 001, Gujarat, India.<br><br>**Occupation**: Professional<br><br>**Term:** For a period of five (05) years w.e.f. September 27, 2016<br><br>**Nationality:** Indian | 65 | Nil |
| **Archee Darshanbhai Thakkar**<br><br>**DIN:** 08603730<br><br>**Date of Birth:** March 17, 1994<br><br>**Designation:** Additional (Independent) Director<br><br>**Address:** B-82, Radhika Bunglows, Near Cadila Bridge, Ghodasar, Ahmedabad- 380 050, Gujarat, India.<br><br>**Occupation:** Business<br><br>**Term:** From November 11, 2019 until the 26th Annual General Meeting<br><br>**Nationality:** Indian | 26 | Nil |

**Brief Biographies of our Directors**

**Ghanshyam Ambalal Thakkar**, aged 76 years, is the Chairman and Whole-time Director of our Company. He is also one of the Promoters of our Company. He holds a bachelor's degree in science from Gujarat University and a diploma in civil engineering from Department of Technical Education from Gujarat State. He has an

experience of more than 40 years in the laminate and wood-based industry. He has been associated with our Company since 2007 and ensures effective functioning of our Company.

**Mr. Krupesh Ghanshyambhai Thakkar,** aged, 49 years, is our Managing Director and one of the founding members of our Company. He holds a bachelor's degree in commerce from Gujarat University and has an experience of more than 25 years in laminate industry. He has been awarded with several accolades including, the "Rajiv Gandhi Shiromani Award" and the "Indira Gandhi Sadbhavana Award" for his pioneering work and contribution to the nation. He has been associated with our Company since its inception and oversees the functioning of all the divisions and departments of our Company.

**Ramanik Tejabhai Kansagara,** aged, 56 years, is the Whole-time Director of our Company. He has completed his higher secondary education from Gujarat Higher Secondary Board in the year 1985. He has been associated with our Company since 1994 and was promoted as the Vice President (Production). He was appointed as an Additional Director on the Board of Directors of our Company on February 02, 2019 and his appointment was regularized on September 21, 2019. He was designated as the Whole-time Director of the Company in the meeting of the Board of Directors dated July 30, 2020. In the past he has served as the plant-cum-production manager in Welworth Laminates Private Limited. He has an experience of more than 28 years in the laminate industry and oversees the functioning of the production department in all the three laminated sheets manufacturing units at Gujarat of our Company.

**Shankar Prasad Bhagat** aged, 69 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Bhagalpur University and is a fellow member of the Institute of Chartered Accountants of India. He holds directorship in Amrapali Capital and Finance Services Limited and Minal Industries Limited. He has been associated with our Company since October 1, 2009. In view of the General Circular dated June 09, 2014 issued by the Ministry of Corporate Affairs, he was re-appointed as the Independent Director of the Company under the Companies Act, 2013 for a period of five years with effect from September 22, 2014. He was re-appointed as the Independent Director of the Company for a further period of five years with effect from September 21, 2019.

**Rohit Bhailalbhai Thakkar,** aged, 65 years, is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from March 30, 2013. In the twenty second Annual General Meeting, he was reappointed as an Independent Director for a further period of five years with effect from September 27, 2016.

**Archee Darshanbhai Thakkar,** aged 26 years**,** is an Additional (Independent) Director of our Company. She holds a bachelor's degree in commerce from Gujarat University. She has also cleared the integrated professional competence examination held by the Institute of Chartered Accountants of India and in the past, has served as a senior audit assistant in D.R. Thakkar & Co. She was appointed as an Additional director in our Company on November 11, 2019.

**Confirmations**

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

2. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer , during the term of his/ her directorship in such company, except Shankar Prasad Bhagat, who is a director on the board of Minal Industries Limited whose equity shares have been suspended from trading, the details of which are provided below:

| | |
|---|---|
| **Name of the Company :** | Minal Industries Limited |
| **Listed on :** | BSE |
| **Date of suspension on the stock exchange :** | December 21, 2015 |
| **Reasons for suspension :** | Suspension for penal reasons for not complying with certain clauses of the Listing Agreement. |
| **Period of suspension :** | The suspension is still subsisting. |
| **Term of the director in Minal Industries Limited :** | Shankar Prasad Bhagat has been on the board of Minal Industries since April 02, 2012. He is still a director on the board of the said company. |

3. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. Except as stated below, none of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them:

   The Adjudicating Officer of SEBI, *vide* its order dated May 12, 2017 had imposed individual penalty under Section 15HB of the SEBI Act, 1992 on our Company, our Promoter, Chairman and Whole-time Director, Ghanshyam Ambalal Thakkar, our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar, our Chief Financial Officer, Vipul Shantilal Vora, our Company Secretary and Compliance Officer, Hasmukh Kanubhai Modi, our Independent Director, Shankar Prasad Bhagat and our erstwhile Independent Director Harshadbhai Navnitlal Doshi aggregating to ₹ 7 lakhs. The penalty was imposed for non-disclosure of bridge loans amounting to ₹ 594 lakhs in the Prospectus filed by the Company, which was considered as a violation of Regulation 57(1) and 57(2)(a) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

   Our Company has paid the said penalty amount aggregating to ₹ 7 lakhs to SEBI on May 23, 2017 in accordance with the order of the Adjudicating Officer.

   The penalty was imposed. For further details, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" on page 200 of this Draft Letter of Offer.

**Relationship between our Directors**

Except as states below none of our Directors are related to each other.

| Name of Director | Relationship |
|---|---|
| Ghanshyambhai Ambalal Thakkar | Father of Krupesh Ghanshyambhai Thakkar |
| Krupesh Ghanshyambhai Thakkar | Son of Ghanshyambhai Ambalal Thakkar |

**Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

**Payment or Benefit to officers of our Company**

Except as stated otherwise in this Draft Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

**Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to a special resolution passed in our twenty third Annual General Meeting held on September 23, 2017, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, on such terms and conditions and with or without security, any sum or sums of monies whether in Indian rupees

or foreign currency (including External Commercial Borrowing) which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed shall not at any time exceed ₹ 60,000 lakhs.

**Terms of appointment and remuneration of our Managing Director and Whole-time Director**

*i. Terms of Appointment of Ghanshyambhai Ambalal Thakkar*

Pursuant to a resolution passed by the Board of Directors at the meeting held on April 29, 2017 and approved by the Shareholders of our Company at the AGM held on September 23, 2017, Ghanshyambhai Ambalal Thakkar was re-appointed as the Whole-time Director of our Company for a period of five (05) years with effect from September 01, 2017 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

| | |
|---|---|
| **Basic Salary** | Upto ₹ 10 lakhs per month with periodic increment as may be decided by the Board of Directors, the aggregate remuneration on account of salary shall not exceed ₹ 20 lakhs. |
| **Commission** | Not exceeding 1% of the Company's Net Profit as may be decided by the Board of Directors of the Company at its absolute discretion, payable and calculated with effect from October 01, 2017 for each Financial Year which is subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013. The commission is extra and is not covered in the aggregate remuneration above. |
| **Perquisites** | • Perquisites are part of the total aggregate remuneration fixed above. The aggregate of the perquisites shall not exceed ₹ 48 lakhs per annum.<br>• Leave Benefits: leave with full pay and allowances and encashment on leave not availed of shall be allowed as per the Company's rules and it will not be considered as aggregate remuneration.<br>• Other Benefits: Contribution to provident fund and superannuation fund will not be included in the computation of the ceiling on remuneration and will be extra on the extent they are either singly or put together not taxable under the Income Tax Act, 1951<br>• Gratuity : not exceeding half month's salary for each completed year of service will not be included in the computation of aggregate remuneration.<br>• Provision for car with driver for use on Company's business and telephone at residence and office.<br>• Reimbursement of out of pocket expenses incurred whether directly or indirectly for the business of the Company<br>• Any other benefits, amenities and facilities not covered herein but authorized by the Board of Directors shall be paid additionally. |
| **Minimum Remuneration** | In the event of loss or inadequacy of profits in any financial year, Ghanshyam Ambalal Thakkar shall be entitled to receive a total remuneration including perquisites, etc., as admissible under Section II of Part II of Schedule V of the Companies Act, 2013 |

*ii. Terms of Appointment of Krupesh Ghanshyambhai Thakkar*

Pursuant to a resolution passed by the Board of Directors at the meeting held on April 29, 2017 and approved by the Shareholders of our Company at the AGM held on September 23, 2017, Krupesh Ghanshyambhai Thakkar was re-appointed as the Managing Director of our Company for a period of five (05) years with effect from September 01, 2017 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

| | |
|---|---|
| **Basic Salary** | Upto ₹ 10 lakhs per month with periodic increment as may be decided by the Board of Directors, the aggregate remuneration on account of salary shall not exceed ₹ 20 lakhs. |
| **Performance incentive or commission** | Not exceeding 1% of the Company's Net Profit as may be decided by the Board of Directors of the Company at its absolute discretion, payable and calculated with effect from October 01, 2017 for each Financial Year which is subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013. The commission is extra and is not covered in the aggregate remuneration above. |
| **Perquisites** | • Perquisites are part of the total aggregate remuneration fixed above. The aggregate of the perquisites shall not exceed ₹ 48 lakhs per annum.<br>• Leave Benefits: leave with full pay and allowances and encashment on leave not availed of shall be allowed as per the Company's rules and it will not be considered as aggregate remuneration. |

| | |
|---|---|
| | • Other Benefits: Contribution to provident fund and superannuation fund will not be included in the computation of the ceiling on remuneration and will be extra on the extent they are either singly or put together not taxable under the Income Tax Act, 1951<br>• Gratuity : not exceeding half month's salary for each completed year of service will not be included in the computation of aggregate remuneration.<br>• Provision for car with driver for use on Company's business and telephone at residence and office.<br>• Reimbursement of out of pocket expenses incurred whether directly or indirectly for the business of the Company<br>• Any other benefits, amenities and facilities not covered herein but authorized by the Board of Directors shall be paid additionally. |
| **Minimum Remuneration** | In the event of loss or inadequacy of profits in any financial year, Krupesh Ghanshyambhai Thakkar shall be entitled to receive a total remuneration including perquisites, etc., as admissible under Section II of Part II of Schedule V of the Companies Act, 2013 |

*iii. Terms of Appointment of Ramaniklal Tejabhai Kansagara*

Pursuant to a resolution passed by the Board of Directors at the meeting held on July 30, 2020 and subject to the approval of the Shareholders of our Company Ramaniklal Tejabhai Kansagara was designated as the Whole-time Director of our Company for a period of four (04) years with effect from August 01, 2020 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

| | |
|---|---|
| **Basic Salary** | Upto ₹ 1.79 lakhs per month inclusive of perquisites and allowances with such periodical increments or changes as may be decided by the human resource department of our Company from time to time however that the aggregate remuneration will not exceed the maximum permissible limit as prescribed under Section 197 of the Companies Act, 2013 during the tenure of his appointment. |
| **Perquisites** | Perquisites, Allowances and other benefits as decided by the human resource department of the Company will be provided and it will be considered in aggregate remuneration except perquisites prescribed under Section IV of Part II of Schedule V of the Companies Act, 2013, if any provided by the Company, which shall not be included in the computation of the ceiling on remuneration as prescribed under Section 197 of the Companies Act, 2013. |

**Remuneration details of our Directors**

*(i) Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2020 is as follows:

| S. No. | Name of the Director | Remuneration (₹ in lakhs) |
|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | 120.00 |
| 2. | Krupesh Ghanshyambhai Thakkar | 120.00 |
| 3. | Ramanik Tejabhai Kansagara | 23.06 |

As on date of this Draft Letter of Offer, none of the Executive Directors of our Company have been paid sitting fee for attending meetings of our Board of Directors and the committees of the our Board of Directors.

*(ii) Sitting fee details of our Independent Directors*

Our Independent Directors are paid as sitting fee of ₹ 0.05 lakhs for attending each meeting of our Board of Directors.

**Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Letter of Offer, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

**Compensation paid to our Directors by our Subsidiary**

As on date of this Draft Letter of Offer, our Company does not have a subsidiary.

**Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Letter of Offer.

**Shareholding of Directors in our Company**

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Letter of Offer:

| Sr. No. | Name of Director | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Ghanshyam Ambalal Thakkar | 19,90,900 | 13.33 |
| 2. | Krupesh Ghanshyambhai Thakkar | 19,85,925 | 13.30 |

**Shareholding of Directors in our Subsidiaries**

As on date of this Draft Letter of Offer, our Company does not have a subsidiary.

**Interest of our Directors**

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our directors see "*Terms of appointment and remuneration of our Executive Directors*" above.

Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent that they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors, Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading "*Shareholding of Directors in our Company*" and therefore may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Whole-time Director, Ghanshyambhai Ambalal Thakkar and our Managing Director, Krupesh Ghanshyambhai Thakkar have extended unsecured loans to our Company and may be deemed to be interested to the extent of the interest paid on such unsecured loans and the repayment of such loans. For further details, please refer to *Financial Information*" and "*Financial Indebtedness*" on page 171 and 185, respectively in this Draft Letter of Offer.

A relative of our Whole-time Director, Ramanik Tejabhai Kansagara is employed in our Company at the post of Executive – Production Department with effect from August 01, 2016, therefore, our Executive Director may be deemed to be interested to the extent of the remuneration or any similar amount paid to his relative by our Company. For further details, please refer "*Restated Financial Information- Annexure-V- Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offer.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in "*Financial Information*", "*Our Promoters and Promoter Group*" and "*Our Group Companies*" on page 171, 155 and 162, respectively of this Draft Letter of Offer, our Directors are not interested in any other company, entity or firm.

Our Whole-time Director, Ghanshyambhai Ambalal Thakkar and our Managing Director, Krupesh Ghanshyambhai Thakkar have extended personal guarantees for securing the repayment of the bank loans obtained by our Company. For further details, please refer to "*Financial Information*" and "*Financial Indebtedness*" on page 171 and 185, respectively in this Draft Letter of Offer.

Except as stated in "*Restated Financial Information- Annexure – V- Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" and the chapter titled "*Our Promoters and Promoter Group*" on pages F-47 and 155of this Draft Letter of Offer, our Directors do not have any other interest in the business of our Company.

**Interest as to property**

Our Managing Director, Krupesh Ghanshyambhai Thakkar, his son Rushil Krupesh Thakkar and Ratnatej Infrastructure Private Limited, in which he is a director hold interest in the property of our Company, for further details, please refer to the chapter titled "*Our Business*" on page 111of this Draft Letter of Offer. Except as mentioned above and in this Draft Letter of Offer, our Directors have no interest in any property acquired or proposed to be acquired by our Company or of our Company.

**Bonus or Profit Sharing Plan for our Directors**

None of our Directors is a party to any bonus or profit sharing plan.

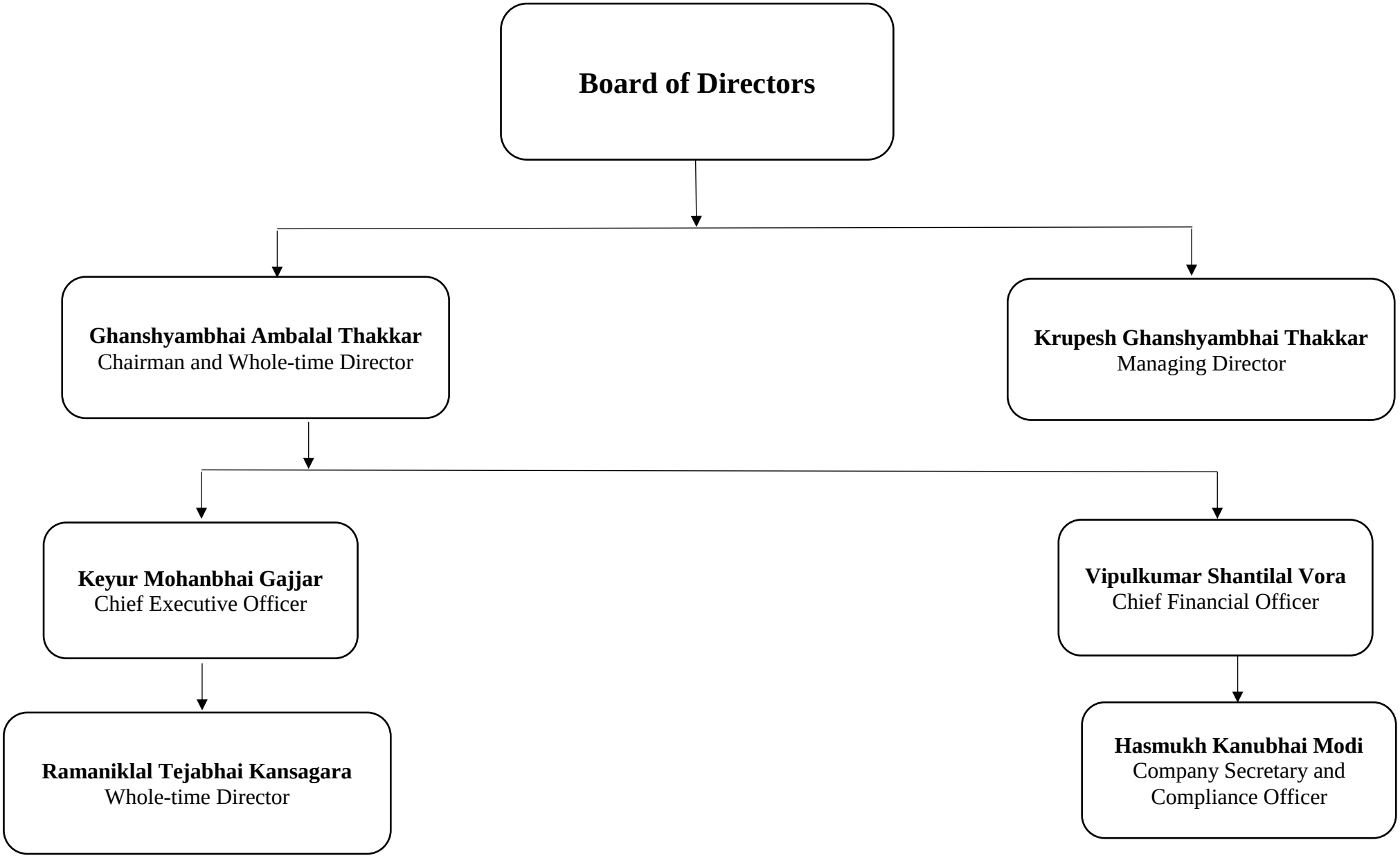
**Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

| Name of Director | Date of Appointment | Date of Cessation | Reason |
|---|---|---|---|
| Jingle Piyush Thakkar | - | November 21, 2019 | Cessation as an Independent Director due to resignation |
| Archee Darshanbhai Thakkar | November 11, 2019 | | Appointment as an Additional (Independent) Director |
| Kaushikbhai Jaykrishnabhai Thakkar | - | February 02, 2019 | Cessation as an Whole-time Director due to resignation |
| Ramanikbhai Tejabhai Kansagara | February 02, 2019 | - | Appointment as Additional Director |

**Management Organization Structure**

Set forth is the organization structure of our Company:


Board of Directors
Ghanshyambhai Ambalal Thakkar
Chairman and Whole-time Director
Krupesh Ghanshyambhai Thakkar
Managing Director
Keyur Mohanbhai Gajjar
Chief Executive Officer
Vipulkumar Shantilal Vora
Chief Financial Officer
Ramaniklal Tejabhai Kansagara
Whole-time Director
Hasmukh Kanubhai Modi
Company Secretary and
Compliance Officer

**Corporate Governance**

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

**Committees of our Board**

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

a) Audit Committee;
b) Stakeholders' Relationship Committee;
c) Nomination and Remuneration Committee;
d) Corporate Social Responsibility Committee; and

Details of each of these committees are as follows:

***a. Audit Committee***

Our Audit Committee was constituted on December 04, 2007 and was last reconstituted by our Board of Directors in their meeting held on November 11, 2019 with the following members forming a part of the said Committee:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Shankar Prasad Bhagat | Chairman |
| 2. | Archee Darshanbhai Thakkar | Member |
| 3. | Ramanik Tejabhai Kansagara | Member |
| 4. | Rohit Bhailalbhai Thakkar | Member |

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements before submission to the Board for approval;

3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;

4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;

b) Changes in the accounting policies and practices and the 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 financial statements;

f) Disclosure of any Related Party Transactions (RPTs); and

g) modified opinion(s) in the draft audit report, if any.

5. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:

   a) qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;

   b) whether such qualifications and experience are commensurate with the size and requirements of the company; and

   c) giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.

6. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;

7. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;

8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

9. 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;

10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;

11. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;

12. 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;

13. Reviewing the appointment, removal and terms of remuneration of the Internal Auditor of the Company;

14. Evaluating the internal financial controls and risk management policies/system of the Company;

15. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

16. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;

17. Approval or subsequent modification of transactions of the Company with related parties;

18. Reviewing the statements of significant related party transactions submitted by the management;

19. Reviewing and Scrutinizing the inter-corporate loans and investments;

20. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;

21. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;

22. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;

23. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;

24. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;

25. 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 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;

26. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;

27. Reviewing statement of deviations:

    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1),

    b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

28. Review and approve policy formulated for determination of material subsidiaries;

29. Review and approve policy on materiality of related party transactions and also dealing with related party transactions; and

30. Any other matter referred to by the Board of Directors.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

***b. Stakeholders Relationship Committee***

Our Stakeholders Relationship Committee was constituted on October 05, 2009 under the name "Shareholders / Investors Grievance Committee". Our Board of Directors in their meeting dated May 27, 2014 changed the nomenclature of the Committee to "Stakeholders Relationship Committee". The Stakeholders Relationship Committee was last reconstituted on May 18, 2019. The members of the said Committee are as follows:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Shankar Prasad Bhagat | Chairman |
| 2. | Ghanshyambhai Ambalal Thakkar | Member |
| 3. | Krupesh Ghanshyambhai Thakkar | Member |

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

1. To consider and resolve the grievances of shareholders and other security holders, if any, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

2. To review the measures taken for effective exercise of voting rights by shareholders.

3. Review about adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. To oversees the performance of the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of investor services.

5. To Review the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

6. Issue of new/ duplicate / split / consolidated certificate;

7. To review cases for transfer / transmission of shares, debentures and other securities;

8. To make reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

9. Any other roles, powers and functions as mentioned in the Companies Act, 2013 read with Rules framed thereunder and SEBI (LODR) Regulations, 2015.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater, including at lease one independent director in attendance.

***c. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on December 04, 2007 and was last reconstituted by our Board of Directors in their meeting held on November 11, 2019 with the following members:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Shankar Prasad Bhagat | Chairman |
| 2. | Archee Darshanbhai Thakkar | Member |
| 3. | Rohit Bhailalbhai Thakkar | Member |
| 4. | Ghanshyambhai Ambalal Thakkar | Member |

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. To formulate and review the criteria for determining qualifications, positive attributes and independence of a director;

2. To recommend to the Board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees and to ensure compliance with the remuneration policy set forth by the Company;

3. To formulate criteria for evaluation of Independent Directors and the Board of Directors;

4. To devise a policy on Board diversity;

5. To report on the systems and on the amount of the annual remuneration of directors and senior management.

6. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

7. To recommend to the board, all remuneration, in whatever form, payable to senior management.

8. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors and recommend to the board.

9. To specify the manner for effective evaluation of performance of Board, its committees and individual directors and review its implementation and compliance;

10. To carry out such other works as may be defined by the board of directors under the framework of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, as amended from time to time.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

***d. Corporate Social Responsibility Committee***

Our Corporate Social Responsibility Committee was constituted on May 27, 2014 with the following members forming a part of the said Committee:

| Sr. No. | Name of Member | Designation |
|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | Chairman |
| 2. | Krupesh Ghanshyambhai Thakkar | Member |
| 3. | Shankar Prasad Bhagat | Member |

The Company Secretary acts as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

3. To monitor the CSR policy of the Company from time to time;

4. Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).

5. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Additionally, our Company has constituted various operational committees such as the Management Committee and Fund Raising Committee.

**Our Key Managerial Personnel**

In addition to our Whole-time Directors and our Managing Director, whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

**Keyur Mohanbhai Gajjar**, aged 49 years, is the Chief Executive Officer of our Company. He holds a bachelor's degree in engineering from Maharaja Sayajirao University of Baroda and master's degree in business administration from Gujarat University. He was appointed as the chief executive officer of our Company with effect from April 01, 2005 and has received a remuneration of ₹ 65.88 lakhs during the Fiscal 2020.

**Vipulkumar Shantilal Vora,** aged 62 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce and is as an associate member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2006 in the capacity of General Manager- Finance and Accounts and was promoted as the Vice President - Finance & Accounts on April 01, 2010. He was designated as the Chief Financial Officer of our Company on August 07, 2014. In the past, he has served in Shree Rama Multi-Tech Limited as its chief financial officer. He has received a remuneration of ₹ 44.63 lakhs during the Fiscal 2020.

**Hasmukh Kanubhai Modi**, aged 45 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce and is a member of the Institute of Company Secretaries of India. He is also a member of the Institute of Cost Accountants. He is responsible for handling secretarial matters of our Company and was appointed with effect from October 13, 2007. He has received a remuneration of ₹ 20.48 lakhs during the Fiscal 2020.

All our Key Managerial Personnel are permanent employees of our Company.

**Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel**

Except as disclosed under the heading *"Relationship between our Directors"* and herein below, none of the key managerial personnel are related to each other or to our Promoter or to any of our Directors.

**Shareholding of the Key Managerial Personnel**

Except as stated below, none of our other Key Managerial Personnel holds any Equity Shares of our Company as on the date of filing of this Draft Letter of Offer:

| Sr. No. | Name of the Key Managerial Personnel | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---|---|---|---|
| 1. | Hasmukh Kanubhai Modi | 01 | Negligible |

**Bonus or Profit Sharing Plan for our Key Managerial Personnel**

None of our Key Managerial Personnel are a party to any bonus or profit sharing plan.

**Interest of Key Managerial Personnel**

None of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

**Changes in Key Managerial Personnel in the Last Three Years**

There has not been any change in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Letter of Offer.

**Employees' Stock Option Plan**

As on date of this Draft Letter of Offer, our Company does not have any employee stock option plan or purchase schemes for our employees.

**Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Letter of Offer.

## OUR PROMOTERS AND PROMOTER GROUP

### A. OUR PROMOTERS

Our Promoters, Ghanshyambhai Ambalal Thakkar, Krupesh Ghanshyambhai Thakkar, Krupa Krupesh Thakkar, M/s. Rushil International and Krupesh Ghanshyambhai Thakkar HUF, as on the date of this Draft Letter of Offer hold, in aggregate of 74,94,703 Equity Shares, constituting 50.19% of our issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure –Details of Build-up of our Promoters' shareholding*" on page 83 of this Draft Letter of Offer.

**Details of our Individual Promoters:**

**GHANSHYAMBHAI AMBALAL THAKKAR**

Ghanshyambhai Ambalal Thakkar, aged 76 years, is the Promoter, Chairman and Whole-time Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled *"Our Management"* on page 139 of this Draft Letter of Offer.

**Date of birth:** November 18, 1943

**Permanent account number:** AAJPT5528R

**Aadhar card number:** 7852 2217 2498

**Driving license number:** GJ01-20000812970

**Address**: 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India

**KRUPESH GHANSHYAMBHAI THAKKAR**

Krupesh Ghanshyambhai Thakkar, aged 49 years, is the Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled *"Our Management"* on page 139 of this Draft Letter of Offer.

**Date of birth:** October 21, 1970

**Permanent account number:** AAJPT5527A

**Aadhar card number:** 7305 6913 0124

**Driving license number:** GJ01-19890628735

**Address**: 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India

**KRUPA KRUPESH THAKKAR**

Krupa Krupesh Thakkar, aged 49 years, is the Promoter of our Company. She holds a diploma in home science from Gujarat State Education Board and has been associated with our Company since 2007 in the capacity of an Administrative Head. She was appointed as the Vice President – Business Development in the year 2009 and was promoted as the Senior Vice President- Business Development in the year 2017.

**Date of birth:** April 29, 1971

**Permanent account number:** AAJPT5547N

**Aadhar card number:** 5622 0760 8244

**Driving license number:** GJ01 2010 1609037

**Address**: 04, Pushpdhanwa Bunglows, near Mansi Tower, Premchand Nagar Road, Satellite, Ahmedabad- 380 015, Gujarat, India

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

**Details of our Corporate Promoters**

**a) M/s. Rushil International**

M/s. Rushil International is a partnership firm registered under the Partnership Act, 1932, constituted on April 24, 1995 with its principal place of business at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad-380 058, Gujarat, India.

M/s. Rushil International is authorised to engage in the business of *inter alia* trading of decorative laminated sheet, plywood and block board.

*Partners of M/s. Rushil International*

Pursuant to the supplementary partnership dated October 01, 2007, M/s. Rushil International has two partners, which are as follows:

i. Ghanshambhai Ambalal Thakkar (holding 50% share in the partnership) and
ii. Krupesh Ghanshyambhai Thakkar (holding 50% share in the partnership).

**b) Krupesh Ghanshyambhai Thakkar HUF**

Krupesh Ghanshyambhai Thakkar HUF came into existence on October 27, 1970 and its members are Krupesh Ghanshyambhai Thakkar, Krupa Krupesh Thakkar (wife of Krupesh Ghanshyambhai Thakkar), Rushil Krupesh Thakkar (son of Krupesh Ghashyambhai Thakkar and Krupa Krupesh Thakkar), Rushvi Rushil Thakkar (wife of Rushil Krupesh Thakkar), Masumi Thakkar (daughter of Krupesh Ghashyambhai Thakkar and Krupa Krupesh Thakkar). Krupesh Ghanshyambhai Thakkar is the karta of Krupesh Ghanshyambhai Thakkar HUF. Krupesh Ghanshyambhai Thakkar HUF holds 13,89,693 Equity Shares in our Company.

Our Company confirms that the permanent account number, bank account number and passport number of Krupesh Ghanshyambhai Thakkar, Krupa Krupesh Thakkar, Rushil Krupesh Thakkar, Rushvi Rushil Thakkar and Masumi Thakkar and the permanent account number and bank account number of Krupesh Ghanshyambhai Thakkar HUF shall be submitted to the Stock Exchanges at the time of filing of this Draft Letter of Offer.

**Other Ventures of our Promoters**

Except as disclosed herein below and in the chapter titled "*Our Management*" on page 139 of this Draft Letter of Offer, our Promoters are not involved with any other venture:

*a) Ghanshyambhai Ambalal Thakkar*

| Name of the Venture | Nature of Interest |
|---|---|
| M/s. Rushil International | Partner |
| Pressure Sensitive Systems (India) Limited | Shareholder holding 4.72% of the equity share capital |
| M/s. Ghanshyam Sales Agency | Sole Proprietor |
| Ghanshyam Forwarder Private Limited | Shareholder holding 5.08% of the equity share capital |
| Vir Decorative Sheets Private Limited | Shareholder holding 0.1% of the equity share capital |

*b) Krupesh Ghanshyambhai Thakkar*

| Name of the Venture | Nature of Interest |
|---|---|
| M/s. Rushil International | Partner |
| Pressure Sensitive Systems (India) Limited | Shareholder holding 4.72% of the equity share capital |
| Vir Decorative Sheets Private Limited | Shareholder holding 0.1% of the equity share capital |
| Ghanshyam Forwarder Private Limited | Shareholder holding 5.13% of the equity share capital |
| Association of Indian Panelboard Manufacturer | Shareholder holding 16.67% of the equity share capital |

*c) Krupa Krupesh Thakkar*

| Name of the Venture | Nature of Interest |
|---|---|
| Ratnatej Infrastructure Private Limited | Shareholder holding 50% of the equity share capital |
| Ghanshyam Forwarder Private Limited | Shareholder holding 10.20% of the equity share capital |
| Shri Krupa Decorative Veneer Private Limited | Shareholder holding 2.21% of the equity share capital |

*d) Krupesh Ghanshyambhai Thakkar HUF*

| Name of the Venture | Nature of Interest |
|---|---|
| M/s, Deco Ply Agency | Sole Proprietor |

**Change in Control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired within five years immediately preceding this Draft Letter of Offer.

**Interest of our Promoters**

*Interest in promotion of our Company*

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding of our Promoters in our Company, please refer to the chapter titled "*Capital Structure*", "*Our Management*" and "*Related Party Transactions"* beginning on page 75, 139 and 169, respectively of this Draft Letter of Offer.

*Interest of Promoters in our Company other than as a Promoter*

Our Company has availed unsecured loans from our Promoters, which are still outstanding and they may be deemed to be interested to extent of any interest paid to them or any amount paid towards repayment of such loans. Further, the object of this Issue to repay the loan of an amount of ₹ 1,775 lakhs availed by our Company from our Promoter, M/s. Rushil International, for further details, please refer to the chapter titled "*Objects of the Issue*" at page 90 of this

Draft Letter of Offer. Our Promoters, Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar are the Whole-time Director and Managing Director, respectively of our Company and may be also be deemed to be interested in any remuneration which may be payable to them in such capacity. Our Promoter, Krupa Krupesh Thakkar holds the position of Senior Vice President - Business Development in our Company and therefore may be deemed to be interested in any remuneration which may be payable to her in such capacity.

Except as stated above and in the chapters titled "*Financial Indebtedness*", *"Our Management"* and *"Related Party Transactions"* on pages 185, 139 and 169, respectively, our Promoters do not have any interest in our Company.

*Interest in the properties of our Company*

Our Company has entered into a leave and license agreement dated February 15, 2020 with our Promoter Krupesh Ghanshyambhai Thakkar for obtaining our Corporate Office situated at Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad - 380 058, Gujarat, India on leave and license basis at a monthly rent of ₹ 5.51 lakhs. The leave and license agreement has been executed for a period of 11 months and 28 days with an option to renew it at the instance of both the parties. Our Promoter may be deemed to be interested to the extent of the amount of rent paid to him by the Company.

Our Company has also entered into a leave and license agreement with Rushil Krupesh Thakkar who is the son of our Promoter, Krupesh Ghanshyambhai Thakkar and a member of our Promoter Group. The leave and license agreement dated February 15, 2020 has been executed with Rushil Krupesh Thakkar for obtaining the property situated at Village Dholakuva, Tal. Mansa, Dist. Gandhinagar, Gujarat, India, having R.S. No. 171 measuring 1214 Sq. meter at a monthly rent of ₹ 0.45 lakhs and for using it for storing finished products of the Company. The leave and license agreement has been executed for a period of 11 months and 28 days with an option to renew it at the instance of both the parties.

Further, our Company has also entered into a leave and license agreement with our Group Company and Promoter Group entity, Ratnatej Infrastructure Private Limited. Our Promoter, Krupa Krupesh Thakkar holds 50% of shareholding in Ratnatej Infrastructure Private Limited and Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar are the promoters and directors on the board of the company. The leave and license agreement dated February 15, 2020 has been executed by our Company for obtaining the land situated at plot number 607, GIDC, Mansa district, Gandhinagar- 382 845, Gujarat, India on leave and license basis for a monthly rent of ₹ 0.10 lakh. The land has been obtained by our Company for setting up a godown near the manufacturing unit situated at 608, GIDC Mansa, district, Gandhinagar- 382 845, Gujarat. The leave and license agreement has been executed for a period of 11 months and 28 days commencing from April 01, 2020 with an option to renew it at the instance of both the parties.

Our Promoters, Krupa Krupesh Thakkar, Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar may be deemed to be interested to the extent of rent paid or any amount of a similar nature paid to Rushil Krupesh Thakkar and Ratnatej Infrastructure Private Limited. For further details with respect to the leave and license agreement executed by our Company with our Promoter and members of the Promoter Group, please refer to the heading "*Our Properties*" in the chapter titled "*Our Business*" at page 111 of this Draft Letter of Offer.

Except as disclosed above and in the section titled "*Financial Information*" on page 171, our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Letter of Offer with SEBI and the Stock Exchanges or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

**Other Interest and Disclosures**

Except as stated in this section and the chapters titled "*Our Group Companies*", "*Our Management*" and "*Related Party Transactions*" on pages 162, 139 and 169, respectively of this Draft Letter of Offer our Promoters are not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Our Promoters have not entered into any contract or arrangement or have paid or agreed to pay or received or agreed to receive any sum of money in cash or shares or otherwise from any director or the firm or company in which our Promoters are associated, either to induce such person to become, or to qualify such person as a director, or otherwise for services rendered by such person or by the firm or company, in connection with the promotion or formation of the Company.

**Payment or benefits to our Promoters and Promoter Group during the last two years**

Except as stated below and in this section along with the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoters or the members of our Promoter Group during the last two years from the date of this Draft Letter of Offer nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Draft Letter of Offer. For further details, please refer to the chapter titled "*Related Party Transactions*" on page 169 of this Draft Letter of Offer.

Our Company has availed unsecured loans from the relatives of our Promoters who form a part of our Promoter Group and from the entities forming a part of the Promoter Group, therefore they may have received an amount towards the interest and repayment for the loans extended during the preceding two years. Further, our Company has entered into an agreement dated November 13, 2017 with one of our Group Companies and Promoter Group entities, Vir Studdio Private Limited (One Person Company) for the use of their trade mark and brand name "Vir Studdio" on the payment of an annual royalty of ₹ 01 lakh per annum. During the preceding two years, our Company has paid royalty to Vir Studdio Private Limited (One Person Company) for the use of their brand name.

The relatives of our Individual Promoters, namely Rushil Krupesh Thakkar and Rushvi Rushil Thakkar are employed in the Company and have received remuneration towards their services during the last two years. Further, during the preceding two years our Company has paid rent to Rushil Krupesh Thakkar and Ratnatej Infrastructure Private Limited for the properties obtained from them on leave and license basis. For details with respect to the amount of benefits paid by our Company to the members and entities forming part of our Promoter Group, please refer to "*Restated Financial Information- Annexure – V- Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information beginning on page 171of this Draft Letter of Offer.

For further details, please refer to chapters titled "*Our Business*", "*Government and other Approvals*", "*Financial Indebtedness*" and the section titled "*Financial Information*" on pages 111, 207, 185 and 171, respectively.

**Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled "*Our Management*" beginning on page 139 of this Draft Letter of Offer.

**Litigations involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, see *"Outstanding Litigation and Material Development"* on page 200.

**Guarantees**

Except as mentioned in chapter titled *"Financial Indebtedness"* on page 185 of this Draft Letter of Offer, our Promoters have not given any guarantees to third parties in respect of our Company and the Equity Shares that are outstanding as of the date of filing of this Draft Letter of Offer.

**Details of Companies / Firms from which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any company/firm during the three years preceding this Draft Letter of Offer.

**B. OUR PROMOTER GROUP**

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

***Individuals forming part of the Promoter Group:***

a) **Ghanshyambhai Ambalal Thakkar**

| Sr. No. | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| 1. | Late Ambalal Dayabhai Thakkar | Father |
| 2. | Late Saraswatiben Ambalal Thakkar | Mother |
| 3. | Dinuben Ghanshyam Thakkar | Spouse |
| 4. | - | Brother |
| 5. | Minaxiben Thakkar | Sister |
| 6. | Kokilaben Thakkar | Sister |
| 7. | Mayaben Thakkar | Sister |
| 8. | Heenaben Thakkar | Sister |
| 9. | Kalpnaben Thakkar | Sister |
| 10. | Krupesh Ghanshyambhai Thakkar | Son |
| 11. | Alpaben Thakkar | Daughter |
| 12. | Alkaben Thakkar | Daughter |
| 13. | Late Manilal Maganlal Thakkar | Spouse's father |
| 14. | Late Fuliben Manilal Thakkar | Spouse's mother |
| 15. | Late Dashrathbhai Manilal Thakkar | Spouse's brother |
| 16. | Jaynarayanbhai Manilal Thakkar | Spouse's brother |
| 17. | Bhanumatiben Thakkar | Spouse's sister |
| 18. | Late Vijayaben Thakkar | Spouse's sister |

b) **Krupesh Ghanshyambhai Thakkar**

| Sr. No. | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| 1. | Ghanshyambhai Ambalal Thakkar | Father |
| 2. | Dinuben Ghanshyam Thakkar | Mother |
| 3. | Krupa Krupesh Thakkar | Spouse |
| 4. | - | Brother |
| 5. | Alpaben Thakkar | Sister |
| 6. | Alkaben Thakkar | Sister |
| 7. | Rushil Krupesh Thakkar | Son |
| 8. | Masumi Thakkar | Daughter |
| 9. | Late Surendrabhai Thakkar | Spouse's father |
| 10. | Sharmistaben Thakkar | Spouse's mother |
| 11. | Nikhil Surendrabhai Thakkar | Spouse's brother |
| 12. | Jigna Thakkar | Spouse's sister |

c) **Krupa Krupesh Thakkar**

| Sr. No. | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| 1. | Late Surendrabhai Thakkar | Father |
| 2. | Sharmistaben Thakkar | Mother |
| 3. | Krupesh Ghanshyambhai Thakkar | Spouse |
| 4. | Nikhil Surendrabhai Thakkar | Brother |
| 5. | Jigna Thakkar | Sister |
| 6. | Rushil Krupesh Thakkar | Son |
| 7. | Masumi Thakkar | Daughter |
| 8. | Ghanshyambhai Ambalal Thakkar | Spouse's father |
| 9. | Dinuben Ghanshyam Thakkar | Spouse's mother |

| Sr. No. | Name of the member of Promoter Group | Relationship with the Promoter |
|---|---|---|
| 10. | - | Spouse's brother |
| 11. | Alpaben Thakkar | Spouse's sister |
| 12. | Alkaben Thakkar | Spouse's sister |

***Entities forming part of the Promoter Group:***

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

| Sr. No. | Name of the entity |
|---|---|
| 1. | Ratnatej Infrastructure Private Limited |
| 2. | Surya Panel Private Limited |
| 3. | Vir Studdio Private Limited (One Person Company) |
| 4. | M/s. Ghanshyam Sales Agency |
| 5. | M/s, Deco Ply Agency |
| 6. | Ambalal Dayabhai Thakkar HUF |

**Other Confirmations**

None of our Promoters, Promoter Group and Group Companies have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters, Promoter Group entities or Group Companies have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as stated below and in the chapter titled *"Outstanding Litigation and Material Development"* on page 200 of this Draft Letter of Offer there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters:

The Adjudicating Officer of SEBI, *vide* its order dated May 12, 2017 had imposed individual penalty under Section 15HB of the SEBI Act, 1992 on our Company, our Promoter, Chairman and Whole-time Director, Ghanshyam Ambalal Thakkar, our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar, our Chief Financial Officer, Vipul Shantilal Vora, our Company Secretary and Compliance Officer, Hasmukh Kanubhai Modi, our Independent Director, Shankar Prasad Bhagat and our erstwhile Independent Director Harshadbhai Navnitlal Doshi aggregating to ₹ 7 lakhs. The penalty was imposed for non-disclosure of bridge loans amounting to ₹ 594 lakhs in the Prospectus filed by the Company, which was considered as a violation of Regulation 57(1) and 57(2)(a) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Our Company has paid the said penalty amount aggregating to ₹ 7 lakhs to SEBI on May 23, 2017 in accordance with the order of the Adjudicating Officer.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of "group companies" in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled "*Financial Information*" on page 171 of this Draft Letter of Offer.

Pursuant to a resolution of our Board dated July 30, 2020, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a 'Group Company' if (i) our Company has entered into one or more related party transactions with such company in the previous three fiscal years or (ii) any other company/entity which the Board may decide to consider material. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, following are the Group Companies of our Company:

1. Surya Panel Private Limited;
2. Ratnatej Infrastructure Private Limited
3. Shri Krupa Decorative Veneer Private Limited;
4. Vir Studdio Private Limited (OPC); and
5. Ghanshyam Forwarder Private Limited.

Set forth below are the details of our five largest Group Companies based on their turnover as on date of this Draft Letter of Offer.

### 1. Surya Panel Private Limited ("SPPL")

*Corporate Information*

SPPL was incorporated as a private limited company under the Companies Act, 2013, under the name, "*Surya Panel Private Limited*" *vide* a certificate of incorporation dated December 30, 2014 issued by the Registrar of Companies, Gujarat at Ahmedabad, under the Companies Act, 2013. The Corporate Identification Number of SPPL is U20296KA2014PTC111970. The registered office of SPPL is situated at plot no 62K, phase-2, KIADB Ambale Industrial Area, Gowdanahalli, Chikmagalur – 577 101, Karnataka, India.

*Nature of Activities*

The main objects of SPPL as per its MOA are *inter alia* manufacturing, dealing, trading of particle board, pre-laminated particle board, MDF, pre-laminate MDF, veneer, plywood, commercial plywood, MDF/HDF flooring, etc.

*Interest of our Promoters*

Our Promoter, Krupesh Ghanshyambhai Thakkar has extended unsecured loans to the SPPL and may be deemded to be interested to the extent of the interest payable and the repayment of such amounts to him.

*Financial Information*

Set forth below is the financial information of SPPL based on its audited financial statements for the last three fiscal years:

(*₹ in lakhs, except for per share data*)

| **Particulars** | **March 31, 2019*** | **March 31, 2018** | **March 31, 2017** |
|---|---|---|---|
| Issued and paid up Equity Share Capital | 400.00 | 400.00 | 400.00 |
| Reserves and Surplus (excluding revaluation reserves) | (532.84) | (110.11) | - |
| Sales / Turnover | 675.44 | 88.50 | - |
| Profit / (Loss) after Tax | (422.73) | (110.11) | - |
| Basic and Diluted EPS per share | (10.57) | (2.75) | - |
| Net Asset Value per equity share | (3.32) | 7.25 | 10.00 |

**The financial statements for the year ended March 31, 2020 have not been audited yet.*

*Significant notes of the auditors of SPPL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

**2. Ratnatej Infrastructure Private Limited ("RIPL")**

*Corporate Information*

RIPL was incorporated as a private limited company under the Companies Act, 1956, under the name, "*Ratnatej Infrastructure Private Limited*" *vide* a certificate of incorporation dated September 06, 2007 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, under the Companies Act, 1956. The Corporate Identification Number of RIPL is U45201GJ2007PTC051672. The registered office of RIPL is situated at Plot No. 607, GIDC, Mansa, Gandhinagar- 382 845, Gujarat, India.

*Nature of Activities*

The main objects of RIPL as per its MOA are *inter alia* engaging in the business of builders, contractors, designers, architects, constructors, of all types of buildings and structures including houses, flats, apartments, row houses, twin bunglows, tenaments, offices, godowns, warehouses, etc.

*Interest of our Promoters*

| Name of the Promoter | No. of equity shares | % of shareholding |
|---|---|---|
| Krupa Krupesh Thakkar | 5,000 | 50.00 |

Other than as disclosed hereinabove, our Promoters, Ghanshyambhai Ambalal Thakkar and Krupesh Ghanshyambhai Thakkar are the promoters and directors on the board of RIPL and may be deemed to be interested to that extent.

*Financial Information*

Set forth below is the financial information of RIPL based on its audited financial statements for the last three fiscal years:

(*₹ in lakhs, except for per share data*)

| Particulars | March 31, 2019* | March 31, 2018 | March 31, 2017 |
|---|---|---|---|
| Issued and paid up Equity Share Capital | 1.00 | 1.00 | 1.00 |
| Reserves and Surplus (excluding revaluation reserves) | 2.02 | 1.38 | 0.51 |
| Sales / Turnover | 4.40 | 1.21 | 1.20 |
| Profit / (Loss) after Tax | 0.64 | 0.88 | (0.99) |
| Basic and Diluted EPS per share | 6.41 | 8.81 | (9.93) |
| Net Asset Value per equity share | 30.20 | 23.80 | 15.10 |

**The financial statements for the year ended March 31, 2020 have not been audited yet.*

*Significant notes of the auditors of RIPL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

**3. Shri Krupa Decorative Veneer Private Limited ("SKDVPL")**

*Corporate Information*

SKDVPL was incorporated as a private limited company under the Companies Act, 1956, under the name, "*Shri Krupa Decorative Veneer Private Limited*" *vide* a certificate of incorporation dated July 09, 2008 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number of SKDVPL is U74900GJ2008PTC054428. The registered office of SKDVPL is situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan road, Shilaj, Ahmedabad – 380 058, Gujarat, India.

*Nature of Activities*

The main objects of SKDVPL as per its MOA are *inter alia* manufacturing, dealing, trading and converting of veneer, decorative veneers, decorative veneer door skins, pre-laminated particle boards, laminated particle boards, etc.

*Interest of our Promoters*

| Name of the Promoter | No. of equity shares | % of shareholding |
|---|---|---|
| M/s. Rushil International | 4,24,500 | 2.21 |
| Krupa Krupesh Thakkar | 4,25,500 | 2.21 |

Other than as disclosed hereinabove, one of our Promoters, Krupesh Ghanshyambhai Thakkar is also the promoter and director on the board of SKDVPL and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him. In addition to above, our Promoters, Krupesh Ghanshyambhai Thakkar and M/s. Rushil International have also extended unsecured loans to SKDVPL and may be deemed to be interested to the extent of the interest which may be payable, if any and the repayment of such loans. Further, our Promoter, Krupesh Ghanshyambhai Thakkar has leased his property situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Shilaj, Ahmedabad – 380 058, Gujarat, India to SKDVPL, for the purpose of using the said property as its registered office. Therefore, our Promoter may be deemed to be interested in SKDVPL to the extent of the amount of rent or any other amount of a similar nature payable to him.

*Financial Information*

Set forth below is the financial information of SKDVPL based on its audited financial statements for the last three fiscal years:

(*₹ in lakhs, except for per share data*)

| Particulars | March 31, 2019* | March 31, 2018 | March 31, 2017 |
|---|---|---|---|
| Issued and paid up Equity Share Capital | 1,923.30 | 1,923.30 | 170.00 |
| Reserves and Surplus (excluding revaluation reserves) | (1,069.47) | (1,064.27) | (1,011.90) |
| Sales / Turnover | 2.35 | 0.94 | 95.62 |
| Profit / (Loss) after Tax | (5.20) | (52.37) | (384.53) |
| Basic and Diluted EPS per share | (0.03) | (0.34) | (22.62) |
| Net Asset Value per equity share | 4.44 | 4.47 | (49.52) |

**The financial statements for the year ended March 31, 2020 have not been audited yet.*

*Significant notes of the auditors of SKDVPL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

**4. Vir Studdio Private Limited (OPC) ("VSPL")**

*Corporate Information*

VSPL was incorporated as a private limited company under the Companies Act, 1956, under the name, "*Shri Krupa Eco Products Private Limited*" *vide* a certificate of incorporation dated June 09, 2008 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, under the Companies Act, 1956. The name, Shri Krupa Eco Products Private Limited was subsequently changed to "*Vir Studdio Private Limited*" *vide* a fresh certificate of incorporation dated July 24, 2012 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli consequent upon change

of name. Subsequently, VSPL was converted from a private limited company to a one person company and a fresh certificate of incorporation dated January 02, 2015 was issued by the Registrar of Companies, Gujarat at Ahmedabad consequent upon the conversion. The Corporate Identification Number of VSPL is U21023GJ2008OPC054165. The registered office of VSPL is situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj, Ahmedabad – 380 058, Gujarat, India.

*Nature of Activities*

The main objects of VSPL as per its MOA are *inter alia* manufacturing, dealing, trading, converting medium density fibreboard ("***MDF***") from the Agricultural waste including cotton waste, manufacturing, dealing, trading of particle board, pre- laminated particle board, MDF, pre-laminate MDF, veneer, plywood, commercial plywood, etc.

*Interest of our Promoters*

One of our Promoters, Krupesh Ghanshyambhai Thakkar has granted an unsecured loan to VSPL and may be deemed to be interested to the extent of interest, payable to him towards the loan. Further, Krupesh Ghanshyambhai Thakkar has also leased his property situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Shilaj, Ahmedabad – 380 058, Gujarat, India to VSPL, for the purpose of using the said property as its registered office. Therefore, our Promoter may be deemed to be interested in VSPL to the extent of the amount of rent or any other amount of a similar nature payable to him.

*Financial Information*

Set forth below is the financial information of VSPL based on its audited financial statements for the last three fiscal years:

(*₹ in lakhs, except for per share data*)

| **Particulars** | **March 31, 2019*** | **March 31, 2018** | **March 31, 2017** |
|---|---|---|---|
| Issued and paid up Equity Share Capital | 2.00 | 2.00 | 2.00 |
| Reserves and Surplus (excluding revaluation reserves) | (23.66) | (24.67) | (21.30) |
| Sales / Turnover | 1.82 | 0.00 | 7.80 |
| Profit / (Loss) after Tax | 1.01 | (3.37) | 0.40 |
| Basic and Diluted EPS per share | 5.04 | (16.86) | 2.01 |
| Net Asset Value per equity share | (108.30) | (113.35) | (96.50) |

**The financial statements for the year ended March 31, 2020 have not been audited yet.*

*Significant notes of the auditors of VSPL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

**5. Ghanshyam Forwarder Private Limited ("GFPL")**

*Corporate Information*

GFPL was incorporated as private limited company under the Companies Act, 1956 under the name "*Vertex Laminate Private Limited*" *vide* a certificate of incorporation dated April 05, 2006 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name, Vertex Laminate Private Limited was subsequently changed to Ghanshyam Forwarder Private Limited *vide* a fresh certificate of incorporation consequent upon change of name dated August 21, 2014 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of GFPL is U20200GJ2006PTC048081. The registered office of GFPL is situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Off. Sindhu Bhavan Road, Shilaj Ahmedabad – 380 058, Gujarat, India.

*Nature of Activities*

The main objects of GFPL as per its MOA are *inter alia* manufacturing, distributing, processing of laminated sheets, decorative sheets, plywood, boards, engaging in the business of transporters, couriers and carriers, etc.

*Interest of our Promoters*

| Name of the Promoter | No. of equity shares | % of shareholding |
|---|---|---|
| Ghanshyambhai Ambalal Thakkar | 2,48,750 | 5.08 |
| Krupesh Ghanshyambhai Thakkar | 2,51,250 | 5.13 |
| Krupa Krupesh Thakkar | 5,00,000 | 10.20 |

Other than as disclosed hereinabove, one of our Promoters, Krupesh Ghanshyambhai Thakkar is also the director on the board of GFPL and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the board or a committee thereof as well as to the extent of other remuneration or reimbursement of expenses payable to him. In addition to above, our Promoters, Ghanshyambhai Ambalal Thakkar, Krupesh Ghanshyambhai Thakkar and Krupa Krupesh Thakkar have also granted unsecured loans to GFPL and may be deemed to be interested to the extent of the interest which may be payable, if any and the repayment of such loans. Further, our Promoter, Krupesh Ghanshyambhai Thakkar has leased his property situated at 2nd floor, Rushil House, Near Neelkanth Green Bungalow, Shilaj, Ahmedabad – 380 058, Gujarat, India to GFPL, for the purpose of using the said property as its registered office. Therefore, our Promoter may be deemed to be interested in GFPL to the extent of the amount of rent or any other amount of a similar nature payable to him.

*Financial Information*

Set forth below is the financial information of GFPL based on its audited financial statements for the last three fiscal years:

(*₹ in lakhs, except for per share data*)

| Particulars | March 31, 2019* | March 31, 2018 | March 31, 2017 |
|---|---|---|---|
| Issued and paid up Equity Share Capital | 100.00 | 100.00 | 100.00 |
| Reserves and Surplus (excluding revaluation reserves) | (726.50) | (723.10) | (682.30) |
| Sales / Turnover | - | 10.47 | 211.39 |
| Profit / (Loss) after Tax | (3.40) | (40.80) | (9.02) |
| Basic and Diluted EPS per share | (0.34) | (4.08) | (0.90) |
| Net Asset Value per equity share | (62.65) | (62.31) | (58.23) |

**The financial statements for the year ended March 31, 2020 have not been audited yet.*

*Significant notes of the auditors of GFPL for the last three Financial Years*

There are no significant notes of the auditors in relation to the aforementioned financial statements for the last three years.

***Group Companies with negative Net Worth***

Surya Panel Private Limited, Vir Studdio Private Limited (OPC) and Ghanshyam Forwarder Private Limited had incurred negative Net Worth in the Fiscal 2019. Details of which are provided below:

*(₹ in lakhs)*

| S. No. | Name of the Group Company | Net Worth |
|---|---|---|
| | | March 31, 2019 |
| 1. | Surya Panel Private Limited | (132.84) |
| 2. | Vir Studdio Private Limited (OPC) | (21.66) |
| 3. | Ghanshyam Forwarder Private Limited | (626.50) |

Except as stated above, as on the date of this Draft Letter of Offer, our Company does not have any Group Companies with negative net worth.

***Loss making Group Companies***

As on date of this Draft Letter of Offer, our Company does not have any loss making Group Companies, except for the following:

(*₹ in lakhs*)

| S. No. | Name of the Group Company | Profit or (Loss) after Tax | | |
|---|---|---|---|---|
| | | **March 31, 2019** | **March 31, 2018** | **March 31, 2017** |
| 1. | Ghanshyam Forwarder Private Limited | (3.40) | (40.80) | (9.02) |
| 2. | Shri Krupa Decorative Veneer Private Limited | (5.20) | (52.37) | (384.53) |
| 3. | Ratnatej Infrastructure Private Limited | 0.64 | 0.88 | (0.99) |
| 4. | Vir Studdio Private Limited (OPC) | 1.01 | (3.37) | 0.40 |
| 5. | Surya Panel Private Limited | (422.73) | (110.11) | - |

***Nature and extent of Interest of Group Companies***

*In the promotion of our Company*

None of our Group Companies have any interest in the promotion of our Company.

*In the business of our Company*

Except as stated in ""*Restated Financial Information- Annexure- V- Notes to Restated Financial Statements- Note 43- Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offer our Group Companies do not have any business interests in our Company.

*In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Letter of Offer.*

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Letter of Offer.

*In transactions for acquisition of land, construction of building and supply of machinery*

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

**Common Pursuits**

Our Company has objects similar to or is carrying out business activities similar to Ghanshyam Forwarder Private Limited, Shri Krupa Decorative Veneer Private Limited, Vir Studdio Private Limited (OPC) and Surya Panel Private Limited. Common pursuits between these Group Companies and our Company could be a potential source of conflict. Our Company shall adopt necessary measures and practices as permitted by law and regulatory guidelines to address any conflict situation as and when they arise. For further details, please refer to "*Risk Factor number 40 –Some of our Group Companies have their main objects similar to that of ours which may be a potential source of conflict for us.*" on page 45 of this Draft Letter of Offer.

**Related business transactions within the Group Companies and significance on the financial performance of the Company**

Except as disclosed in "*Restated Financial Information- Annexure- V - Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offer, there are no related business transactions of the Company with its Group Companies.

**Sale / Purchase between Group Companies**

Except as stated in "*Restated Financial Information- Annexure- V - Notes to Restated Financial Statements- Note 43-Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offerr, none of our Group Companies are involved in any sales or purchase with our Company.

**Defunct / Sick Group Companies**

None of our other Group Companies is defunct and no applications have been made to the Registrar of Company by any of our Group Companies for striking off their names from the register of companies, during the five years preceding the date of filing of this Draft Letter of Offer.

Further, none of the Group Companies have become sick companies under the erstwhile Sick Industrial Companies Act, 1985 or have become insolvent under the Insolvency and Bankruptcy Code, 2016 and no winding up proceedings have been initiated against them.

**Litigation**

For details relating to legal proceeding involving our Group Companies, please see the section *"Outstanding Litigation and Material Development"* beginning on page 200 of this Draft Letter of Offer.

**Other Confirmations**

Our Group Companies have not been prohibited or debarred from accessing the capital markets for any reason by SEBI or any other regulatory or governmental authority.

Further, none of our Group Companies have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Equity shares of our Group Companies have not been listed on any stock exchanges and none of our Group Companies have made any public issues / rights issues in the last three years.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see "*Restated Financial Information- Notes to Restated Financial Statements- Annexure- V - Note 43-Related Party Disclosures as per Ind AS 24*" at page F-47 of the Restated Financial Information in this Draft Letter of Offer.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

*Dividends paid on Equity Shares:*

The dividends declared by the Company on the Equity Shares in each of the Financial Years ending 2020, 2019 and 2018, as per our Restated Financial Statements is given below:

| **Particulars** | **Financial Performance** | | |
|---|---|---|---|
| | **For the year ended March 31, 2020** | **For the year ended March 31, 2019** | **For the year ended March 31, 2018** |
| Face value per share (in ₹) | 10 | 10 | 10 |
| Amount of Dividend (in ₹ lakhs)* | 74.65 | 74.65 | 72.53 |
| Dividend per share (in ₹) | 0.5 | 0.5 | 0.5 |
| Rate of dividend (%) | 5% | 5% | 5% |
| Dividend Tax (%) | 20.55% | 20.55% | 20.36% |

* *Excluding dividend distribution tax*

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factor No. 52 – Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.*" on page 50 of this Draft Letter of Offer.

## SECTION V – FINANCIAL INFORMATION

## RESTATED FINANCIAL INFORMATION


| S. No. | Details | Page Number |
|---|---|---|
| 1. | Restated Financial Information | F-4 |
| 2. | Other Financial Information | F-64 |
| 3. | Capitalization Statement | F-65 |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**PARIKH & MAJMUDAR**

CHARTERED ACCOUNTANTS

CA. (DR). HITEN PARIKH
M.Com., LL.B., FCA., PH.D.

CA. SANJAY MAJMUDAR
B.Com., LL.B., FCA

**Auditors' Report on the Restated Ind AS Summary Statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related Restated Ind AS Summary Statements of profits and losses (including other comprehensive income), Cash flows Statements and Statements of Changes in Equity for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 of Rushil Décor Limited (collectively, the "Restated Ind AS Summary Statements")**

To
The Board of
Directors
Rushil Décor
Limited
S. No. 125, Near KalyanpuraPatia,
Village ITLA, Gandhinagar-Mansa Road, Ta.Kalol,
Dist. Gandhinagar-382845,
Gujarat, India.

Dear Sirs,

1. We, Parikh & Majmudar, Chartered Accountants have examined the attached Restated Ind AS Summary Statements of Rushil Decor Limited (the "Company") as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Letter of Offer("DLOF")/Letter of Offer ("LOF") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed right issue of equity shares of Re. 10 each of the Company (hereinafter, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirementsof:

a) Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act2013 (the "Act");
b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "GuidanceNote").

**Management's Responsibility for the Restated Ind AS Summary Statements**

2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the DLOF/LOF is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the management of the Company on the basis of preparation stated **in paragraph 2 of Annexure V (A)** to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and Guidance Note.

**Auditors' Responsibilities**



303, "B" Wing, GCP Business Center, Opp Memnagar Fire Station, Nr. Vijay Cross Roads, Navrangpura,
Ahmedabad - 380 009. Phones :- +91 79 26401701/02/03 Fax: - + 91 79 40092628
Email : audit@smajmudar.com

3. We have examined such Restated Ind AS Summary Statements taking intoconsideration:

a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 2, 2020, requesting us to carry out the assignment, in connection with the proposed Offering of the Company;
b) The Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;
c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Offering.

**Restated Ind AS Summary Statements as per audited Ind AS financial statements**

4. These Restated Ind AS Summary Statements have been compiled by the management of the Company from audited financial statements of the Company as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 which were prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meetings held on July 30,2020, May 18, 2019 and May 19, 2018 respectively;

5. For the purpose of our examination, we have relied on the auditors' reports issued by us, dated June 30, 2020, May18, 2019 and May19, 2018 on the financial statements of the Company as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively as referred in Paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us for the respective years, we report that Restated Ind AS Summary Statements:

a) have been prepared after incorporating adjustments for the changes in accounting policies retrospectively in the financial years ended March 31, 2019 and March 31, 2018 to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31,2020;
b) does not contain any qualifications requiring adjustments. and
c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2020. Accordingly, we express no opinion on the financial position, results of operations, cashflows and statement of changes in equity of the Company as of any date or for any period subsequent to March 31,2020.

8. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred toherein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DLOF/LOFto be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Offering. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

For Parikh and Majmudar,

Chartered Accountants

FRNO 107525W

UDIN: 20040230AAAAGT8906

CA Dr. HITEN M PARIKH

PARTNER

M No 040230

Date: 8th August, 2020

Place: Ahmedabad

Annexure I

**RUSHIL DECOR LIMITED**
**CIN : L25209GJ1993PLC019532**
**Restated statement of Assets and Liabilities**

| Particulars | Note No. | As at 31st March, 2020 ₹ | As at 31st March, 2019 ₹ | As at 31st March, 2018 ₹ |
|---|---|---|---|---|
| **(I) ASSETS** | | | | |
| **(1) Non- current Assets** | | | | |
| (a) Property, Plant and Equipment | 1 | 1972042460 | 2041633953 | 1941718803 |
| (b) Capital work-in-progress | 1 | 3384685486 | 977846643 | 40777523 |
| (c) Other Intangible assets | 2 | 628938 | 1013676 | 1136414 |
| (d) Financial Assets | | | | |
| (i) Investments | 3 | 125000 | 125000 | 10000 |
| (ii) Trade receivables | 4 | 23080878 | 17187896 | 18508010 |
| (iii) Loans | 5 | 1038369 | 966128 | 2316780 |
| (e) Other non-current assets | 6 | 545223045 | 929151966 | 235265212 |
| **Total Non- current Assets** | | **5926824176** | **3967925262** | **2239732742** |
| **(2) Current Assets** | | | | |
| (a) Inventories | 7 | 855845552 | 879635235 | 832363150 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 8 | 611594075 | 552052810 | 483244722 |
| (ii) Cash and cash equivalents | 9 | 6550236 | 6589824 | 5651699 |
| (iii) Bank balances other than (ii) above | 10 | 51653857 | 52351674 | 42341548 |
| (iv) Loans | 11 | - | 31618262 | 25000000 |
| (c) Current Tax Assets | | - | - | |
| (d) Other current assets | 12 | 405566829 | 291928490 | 140073213 |
| **Total Current Assets** | | **1931210549** | **1814176295** | **1528674332** |
| **Total Assets :** | | **7858034725** | **5782101557** | **3768407074** |
| **(II) EQUITY AND LIABILITIES** | | | | |
| **(1) Equity** | | | | |
| (a) Equity Share capital | 13 | 149313320 | 149313320 | 147174600 |
| (b) Other Equity | 14 | 2134689861 | 1909903621 | 1559411103 |
| **Total Equity** | | **2284003181** | **2059216941** | **1706585703** |
| **(2) Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 15 | 3388466397 | 1801945476 | 388643225 |
| (ii) Trade Payables | | | | |
| - dues to micro and small enterprises | | - | - | - |
| - dues to other than micro and small enterprises | 16a | 10644336 | 4348634 | 4291927 |
| (ii) Other Financial Liabilities | 16b | 76022584 | 37059453 | 37359066 |
| (b) Provisions | 17 | 21319445 | 13756009 | 11244231 |
| (c) Deferred tax liabilities (Net) | 18 | 234895026 | 307353142 | 283843991 |
| (d) Other non-current liabilities | 19 | 79387960 | 80023368 | 13488561 |
| **Total Non-Current Liabilities** | | **3810735748** | **2244486082** | **738871001** |
| **Current liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 20 | 583159389 | 529880644 | 468214879 |
| (ii) Trade payables | | | | |
| - dues to micro and small enterprises | 21 | 53438067 | 38403268 | 43074016 |
| - dues to other than micro and small enterprises | 21 | 904414821 | 699634541 | 594467676 |
| (iii) Other financial liabilities | 22 | 100860764 | 120247794 | 156015880 |
| (b) Other current liabilities | 23 | 32140583 | 24153132 | 18209488 |
| (c) Provisions | 24 | 51541173 | 63567419 | 18731388 |
| (d) Current Tax Liabilities (Net) | 25 | 37740999 | 2511736 | 24237043 |
| **Total Current Liabilities** | | **1763295796** | **1478398534** | **1322950370** |
| **Total Equity and Liabilities :** | | **7858034725** | **5782101557** | **3768407074** |

The accompanying Notes 1 to 54 are integral part of these Standalone Financial Statements.
As per our report of even date attached.

**For Parikh & Majmudar**
**Chartered Accountants**
**( Firm Regn.No.107525W)**

**CA Dr. Hitan Parikh**
**Partner**
**Membership No.040230**
**UDIN : 20040230AAAAGT8906**

**For and on behalf of the Board of Directors,**
**Rushil Décor Limited**

**[Ghanshyambhai A.Thakkar]**
**Chairman**
**DIN ::00208843**

**[Krupeshbhai G. Thakkar]**
**Managing Director**
**DIN :01059666**

**[K. M. Gajjar]**
**Chief Executive Officer**

**[V. S .Vora]**
**Chief Financial Officer**

**[H. K. Modi]**
**Company Secretary**

**PLACE : AHMEDABAD**
**DATE : 8th August,2020**

Annexure II

**RUSHIL DECOR LIMITED**
**CIN : L25209GJ1993PLC019532**
**Restated Standalone Statement of Profit and Loss**

(Amount In ₹)

| Sr. No | Particulars | Note No. | Year ended 31st March,2020 | Year ended 31st March,2019 | Year ended 31st March,2018 |
|---|---|---|---|---|---|
| I | Revenue from Operations | 26 | 3355980412 | 3437420924 | 3509757249 |
| II | Other Income | 27 | 35358314 | 84902299 | 27067802 |
| III | Total Income (I +II) | | 3391338726 | 3522323223 | 3536825051 |
| IV | Expenses: | | | | |
| (a) | Cost of Materials Consumed | 28 | 1730943597 | 1933707755 | 1896308560 |
| (b) | Purchases of Stock-in-Trade | 29 | 13536052 | 611113 | 15510713 |
| (c) | Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress | 30 | 2559257 | -16815206 | -103237753 |
| (d) | Excise duty | 31 | - | - | 74564991 |
| (d) | Employee Benefits Expense | 32 | 293155456 | 256223170 | 209793520 |
| (e) | Finance Costs | 33 | 120443123 | 135904151 | 87023507 |
| (f) | Depreciation and Amortization Expense | | 86893646 | 86291158 | 75293456 |
| (g) | Other Expenses | 34 | 946645185 | 897207136 | 851944099 |
| | Total Expenses (IV) | | 3194176316 | 3293129277 | 3107201093 |
| V | Restated Profit before exceptional items and tax ( III- IV ) | | 197162410 | 229193946 | 429623958 |
| VI | Exceptional Items | | - | - | - |
| VII | Restated Profit before tax ( V-VI) | | 197162410 | 229193946 | 429623958 |
| VIII | Tax expense : | 35 | | | |
| | (1) Current Tax | | 53900000 | 65600000 | 105100000 |
| | (2) Current Tax expense relating to prior years | | -13670341 | 267735 | - |
| | (3) Deferred Tax | | -73564408 | 19976577 | 15282477 |
| | Total Tax Expenses (VIII) | | -33334749 | 85844312 | 120382477 |
| IX | Profit for the period (VII -VIII) | | 230497159 | 143349634 | 309241481 |
| X | Other Comprehensive Income (OCI) | | | | |
| | A (i) Items that will not be reclassified to profit or loss | | 4395629 | -514606 | -1691616 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | -1106292 | 179824 | 565802 |
| | B (i) Items that will be reclassified to profit or loss | | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - | - |
| | Total Other Comprehensive Income (X) | | 3289337 | -334782 | -1125814 |
| XI | Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period) | | 233786496 | 143014852 | 308115667 |
| XII | Earnings per equity share (Face Value of ₹ 10/- each) Basic & Diluted | 36 | 15.44 | 9.61 | 21.27 |

The accompanying Notes 1 to 54 are integral part of these Standalone Financial Statements.
As per our report of even date attached.

**For Parikh & Majmudar**
**Chartered Accountants**
**( Firm Regn.No.107525W)**

**CA Dr. Hiten Parikh**
**Partner**
**Membership No.040230**
**UDIN : 20040230AAAAGT8906**

**For and on behalf of the Board of Directors,**
**Rushil Decor Limited**

**[Ghanshyambhai A.Thakkar]**
**Chairman**
**DIN ::00208843**

**[Krupeshbhai G Thakkar]**
**Managing Director**
**DIN :01059666**

**[K. M. Gajjar]**
**Chief Executive Officer**

**[V. S. Vora]**
**Chief Financial Officer**

**[H. K. Modi]**
**Company Secretary**

**PLACE : AHMEDABAD**
**DATE : 8th August,2020**

Annexure III

**RUSHIL DECOR LIMITED**
**CIN : L25209GJ1993PLC019532**
**Restated Statement of Cash Flows**

(Amount In ₹)

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| **(A)Cash Flow From Operating Activities** | | | |
| Profit before tax as per Standalone Statement of Profit & Loss | **197162410** | **229193946** | **429623958** |
| Adjustments for | | | |
| Re-measurement gain/(loss) on defined benefit plans | 4395629 | -514606 | -1691616 |
| Depreciation and amortization expense | 86893646 | 86291158 | 75293456 |
| Interest and Finance cost | 120443123 | 135904151 | 87023507 |
| (Profit)/Loss on disposal of Property, Plant and Equipment | -552879 | - | 61075 |
| | **211179519** | **221680703** | **160686422** |
| Operating Profit Before Working Capital Changes | **408341929** | **450874649** | **590310380** |
| Adjustment for Change In: | | | |
| (Increase) / Decrease in Inventories | 23789683 | -47272085 | -214326999 |
| (Increase) / Decrease in Trade Receivables | -65434247 | -67487974 | -16119356 |
| (Increase) / Decrease in Financial Assets | 625576 | -8659474 | 192081303 |
| (Increase) / Decrease in Other Assets | -128436527 | -238733919 | -218250476 |
| Increase / (Decrease) in Trade Payables | 226110781 | 100552824 | 230221222 |
| Increase / (Decrease) in Financial Liabilities | 19576102 | -36067700 | 16717072 |
| Increase / (Decrease) in Other Liabilities | 14915479 | 74990229 | -5515525 |
| Increase / (Decrease) in Short Term Provisions | -12026246 | 44836031 | 5962814 |
| | **79120601** | **-177842068** | **-9229945** |
| | **487462530** | **273032581** | **581080435** |
| Direct Taxes Paid (Net of Refunds) | -16160616 | -86972694 | -80862957 |
| **Net Cash Generated From Operations** | **471301914** | **186059887** | **500217478** |
| **(B) Cash flow from Investing activities** | | | |
| Purchase of Property, Plant and Equipment (including WIP & Pre-operative Expenses) | -2423986828 | -1123152689 | -425271358 |
| Adjustment for Revaluation Reserve | - | 22100000 | - |
| Sale of Property, Plant and Equipment | 783448 | - | 960688 |
| Purchase of Shares | - | -115000 | - |
| Loans (Given) | 31618262 | -6618262 | -25000000 |
| Changes in Non Current Assets | 409887329 | -607628460 | -188185694 |
| **Net Cash Generated From Investing Activities** | **-1981697789** | **-1715414411** | **-637496364** |
| **(C) Cash Flow From Financing Activities** | | | |
| Money received against warrant | - | - | -50000000 |
| Issue of share capital | - | 2138720 | 3174600 |
| Securities premium | - | 198090320 | 196825200 |
| Increase / (Decrease) in Long term borrowings | 1586520922 | 1413302251 | 57778714 |
| Increase / (Decrease) in Short term borrowings | 53278744 | 61665765 | 11187665 |
| Interest and Finance cost | -120443123 | -135904151 | -87023507 |
| Dividend Paid (Including Tax On Dividend) | -9000256 | -9000256 | -8729941 |
| **Net Cash Generated From Financing Activities** | **1510356287** | **1530292649** | **123212731** |
| **Net Increase In Cash & Cash Equivalents** | **-39588** | **938125** | **-14066155** |
| Cash & Cash Equivalents At | | | |
| **Opening** | **6589824** | **5651699** | **19717854** |
| **Closing** | **6550236** | **6589824** | **5651699** |
| Cash & Cash Equivalent as per above comprises of the following: | | | |
| Cash & Cash Equivalent (Refer Note No.9) | 6550236 | 6589824 | 5651699 |

The accompanying notes are an integral part of these financial statements.

Notes: 1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

This is the Cashflow Statement referred to in our report of even date.

**For Parikh & Majmudar**
**Chartered Accountants**
**( Firm Regn.No.107525W)**

**CA Dr. Hiten Parikh**
**Partner**
**Membership No.040230**
**UDIN : 20040230AAAAGT8906**

**For and on behalf of the Board of Directors,**
Rushil Decor Limited

[Ghanshyambhai A.Thakkar]
Chairman
DIN :00208843

[Krupeshbhai G. Thakkar]
Managing Director
DIN :01059666

[K. M. Gajjar]
Chief Executive Officer

[V. S. Vora]
Chief Financial Officer

[H. K. Modi]
Company Secretary

**PLACE : AHMEDABAD**
**DATE : 8th August,2020**

RUSHIL DECOR LIMITED
CIN : L25209GJ1993PLC019532
Restated Statement of Changes in Equity

Annexure IV

A) EQUITY SHARE CAPITAL

| Particulars | (Amount in ₹) |
|---|---|
| For the year ended 31st March, 2020 | |
| Balance as at 1st April 2019 | 149313320 |
| Changes in equity share capital during the year : | |
| Issued during the year | - |
| Balance as at 31st March 2020 | 149313320 |
| For the year ended 31st March, 2019 | |
| Balance as at 1st April 2018 | 147174600 |
| Changes in equity share capital during the year : | |
| Issued during the year | 2138720 |
| Balance as at 31st March 2019 | 149313320 |
| For the year ended 31st March, 2018 | |
| Balance as at 1st April 2017 | 144000000 |
| Changes in equity share capital during the year : | |
| Issued during the year | 3174600 |
| Balance as at 31st March 2018 | 147174600 |

B ) OTHER EQUITY

Reconciliation of Other Equity as at 31st March 2020

| Particulars | Reserves and Surplus | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Securities Premium | Amalgamation Reserve | Money received against share warrants | General Reserve | Revaluation Reserve | Retained Earnings | |
| Balance at the beginning of the reporting period | 50000 | 798247876 | 3300000 | - | 6000000 | 185199141 | 917106604 | 1909903621 |
| Issued during the period | - | - | - | - | - | - | - | - |
| Converted into Equity Shares | - | - | - | - | - | - | - | - |
| Received against shares issued during the year | - | - | - | - | - | - | - | - |
| Depreciation transferred (to)/from Revaluation Reserve | - | - | - | - | - | - | - | - |
| Dividend on Equity Shares | - | - | - | - | - | - | (7465666) | (7465666) |
| Tax on Dividend | - | - | - | - | - | - | (1534590) | (1534590) |
| Adjustments as per Ind AS | - | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | - | - | 230497159 | 230497159 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | 3289337 | 3289337 |
| Balance at the end of the reporting period | 50000 | 798247876 | 3300000 | - | 6000000 | 185199141 | 1141892844 | 2134689861 |

Reconciliation of Other Equity as at 31st March 2019

| Particulars | Reserves and Surplus | | | | | | | Tot |
|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Securities Premium | Amalgamation Reserve | Money received against share warrants | General Reserve | Revaluation Reserve | Retained Earnings | |
| Balance at the beginning of the reporting period | 50000 | 600157556 | 3300000 | - | 6000000 | 166811539 | 783092008 | 1559411103 |
| Issued during the period | - | - | - | - | - | - | - | - |
| Converted into Equity Shares | - | - | - | - | - | - | - | - |
| Received against share issue to Qualified Institutional Investors | - | 198090320 | - | - | - | - | - | 198090320 |
| Depreciation transferred (to)/from Revaluation Reserve | - | - | - | - | - | - | - | - |
| Dividend on Equity Shares | - | - | - | - | - | - | (7465666) | (7465666) |
| Tax on Dividend | - | - | - | - | - | - | (1534590) | (1534590) |
| Adjustments as per Ind AS | - | - | - | - | - | 18387602 | - | 18387602 |
| Profit for the year | - | - | - | - | - | - | 143349634 | 143349634 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | (334782) | (334782) |
| Balance at the end of the reporting period | 50000 | 798247876 | 3300000 | - | 6000000 | 185199141 | 917106604 | 1909903621 |

Reconciliation of Other Equity as at 31st March 2018

Amount in Rs

| Particulars | Reserves and Surplus | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | Capital Redemption Reserve | Securities Premium | Amalgamation Reserve | Money received against share warrants | General Reserve | Revaluation Reserve | Retained Earnings | |
| Balance at the beginning of the reporting period | 50000 | 403332356 | 3300000 | 50000000 | 6000000 | 166811539 | 483706282 | 1113200177 |
| Issued during the period | - | - | - | 149999800 | - | - | - | 149999800 |
| Converted into Equity Shares | - | - | - | (199999800) | - | - | - | -199999800 |
| Received against shares issued during the year | - | 196825200 | - | - | - | - | - | 196825200 |
| Dividend on Equity Shares | - | - | - | - | - | - | (7253333) | (7253333) |
| Tax on Dividend | - | - | - | - | - | - | (1476608) | (1476608) |
| Adjustments as per Ind AS | - | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | - | - | - | 309241481 | 309241481 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | (1125814) | (1125814) |
| Balance at the end of the reporting period | 50000 | 600157556 | 3300000 | - | 6000000 | 166811539 | 783092008 | 1559411103 |

The accompanying notes are integral part of these Standalone Financial Statements. This is the Statement of Changes in Equity referred to in our report of even date.

For Parikh & Majmudar
Chartered Accountants
( Firm Regn.No.107525W)

CA Dr. Hiten Parikh
Partner
Membership No.040230
UDIN : 20040230AAAAGT8906

PARIKH & MAJMUDAR M. No.040230 FRN No. 107525W CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors,
Rushil Decor Limited

[Ghanshyambhai A.Thakkar]
Chairman
DIN ::00208843

[Krupeshbhai G. Thakkar]
Managing Director
DIN :01069666

[K. M. Gajjar]
Chief Executive Officer

[V. S .Vora]
Chief Financial Officer

[H. K. Modi]
Company Secretary

PLACE : AHMEDABAD
DATE : 8th August,2020

## A. DISCLOSURE OF ACCOUNTING POLICIES

### (a) CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on The National Stock Exchange and The Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Laminate Sheets, Medium Density Fibre Board, Pre-laminated Medium Density Fibre Board boards, and Polyvinyl Chloride Board. The Company presently has manufacturing facilities at Itla, Mansa and Dholakuva in (Gujarat)and Chikkamagaluru (Karnataka).

### (b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Restated Ind AS summary statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Restated Ind AS summary statement of profit and loss, Restated Ind AS summary statement of changes in equity and Restated Ind AS summary statement of cash flows for year ended March 31, 2020, March 31, 2019 and March 31, 2018 (hereinafter collectively referred to as "Restated Ind AS Summary Statements of Rushil Décor Ltd") have been prepared specifically for inclusion in the Draft Letter of Offer("DLOF")/ Letter of Offer ("LOF") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Re. 10 each of the Company and offer for sale by the selling shareholders of the Company (collectively, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirementsof:

a. Sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 (the "Act")and

b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

c. The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the GuidanceNote).

The Restated Ind AS Summary Statements have been compiled from the audited annual financial statements as at and for the years ended March 31, 2020, March 31,2019 and March 31, 2018 which were prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

The Restated Ind AS Summary Statements have been prepared on a historical cost convention, except for certain financial assets, financial liabilities and share based payments which are measured at fair value.

The Restated Ind AS Summary Statements are presented in Indian Rupees "INR" and all values are stated as INR, except when otherwise indicated.

PARIKH & MAJMUDAR
M. No.040230
FRN No.
107525W
CHARTERED ACCOUNTANTS

**(c) USE OFESTIMATES :**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**(d) PROPERTY, PLANT AND EQUIPMENT:**

i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except free hold land which is carried at fair value. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

iv) Property, Plant and Equipment including continuousprocessplants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013)

v) Depreciation in respectofadditions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

vi) An asset's carrying amount is written down immediately ondiscontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the

Companies Act, 2013 are as follows :

Buildings - 30 to 60 years
Plant and Equipments - 15 to 25 years
Furniture and Fixtures - 10 years
Vehicles - 8 to 10 years
Office Equipments - 5 to 10 years
Others – Computer Hardware 3 to 6 years

viii) At each balance sheet date, the Company reviews the carrying amount ofproperty,plantandequipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amountoftheassetsisestimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

**(e) INTANGIBLE ASSETS:**

i) Intangible assets acquired by payment e.g. Computer Softwareis disclosedatcostless amortizationonastraight-linebasis over its estimated useful life.

ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

iii) Intangible assets are amortised on straight-line method as follows :
Computer Software - 5 years

iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists,therecoverableamount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

**(f) REVENUE RECOGNITION:**

i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

ii) Sale of Goods: Revenue from sales of goods is recognized upon transfer of control to the customers. Revenue shown in the Statement of Profit and Loss are excluding of inter-transfers, returns, trade discounts, cash discounts, Goods and Service Tax.

iii) Services: Revenue from Servicesare recognized as and when the services are rendered.

iv) Export incentives under various schemes are accounted in the year of export.

v) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**(g) EMPLOYEE BENEFITS:**

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post Employment and Retirement benefits in the form of Gratuityareconsidered as defined benefit obligations and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

## (h) VALUATION OF INVENTORIES

i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods andmaterials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stock of Stores and spare parts, and Power & Fuels are valued at cost; and of those in transit and at port related to these items are valued at cost.

iv) Goods-in-process is valued at lower of cost or net realisable value.

v) Stock of Finished goods is valued at lower of cost or net realisable value, and Stock at port is valued at Cost.

vi) Stock-in-trade is valued at lower of cost or net realisable value.

## (i) CASH FLOW STATEMENT:

i) Cash flows are reported using indirect method,wherebyprofitbeforetaxis adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

ii) Cash and cash equivalents in the balance sheetcomprise cash at bank, cash/chequesinhandandshortterminvestmentswithanoriginalmaturityofthreemon thsorless.

## (j) FINANCIAL ASSETS:

i) The Company classifies its financial assets as those to be measured subsequently at fair value (through the standalone Statement of Profit and loss).

ii) Trade receivables represent receivables for goods sold by the Company up to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due with-in 12 months from the reporting date.

iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to the standaloneStatement of Profit and Loss.

iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

**(k) FINANCIAL LIABILITIES:**

i) Borrowings are initially recognised and subsequently measured at amortised cost, net of transaction costs incurred. The transaction costs is amortised over the period of borrowings using the effectiveinterestmethodin CapitalWork in Progress upto the commencement of related Plant, Property and Equipment and subsequently underfinancecosts in the standalone Statement of profit and loss .

ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

iv) Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) Financial assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currentlyenforceablelegalright to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi) Derivative financial instruments are in the nature of Forward contracts. Forward contracts are executed to hedge the foreign exchange rate with respect to liabilities for goods and services in foreign currencies.

vii) Derivative financial instruments are recognized initially and subsequently at fair value through mark to market valuation obtained from Forex Advisors. Gain or loss arising from the changes in fair value of derivatives is debited to the foreign exchange fluctuations in the standalone statement of profit and loss.

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## (l) FAIR VALUE MEASUREMENT:

i) The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

ii) The Company also measures Land at fair value at each balance sheet date.

iii) Fair value is the price that would be received to sellanassetorpaid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption thatthetransaction to sell the asset or transfer the liability takesplaceeitherintheprincipal market for the asset or liability, or in the absence of a principal market,in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

iv) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

v) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits byusingtheasset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

vi) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

vii) The assetsandliabilities which hasbeenmeasuredatfairvalueare,Derivatives and Land.

## (m) FOREIGN CURRENCY TRANSACTIONS:

i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

ii) Foreign currency transactions are recordedoninitialrecognitionin the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences thatarise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

## (n) LEASE

**Operating Lease**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

On transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

## (o) BORROWING COSTS:

i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as anadjustmenttointerestcosts) incurred in connection with the borrowing of funds.

ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assetsduringtheperiod of time that is required tocomplete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

iii) All otherborrowingcostsareexpensedintheperiod inwhich theyareincurred.

## (p) ACCOUNTING FOR TAXES ON INCOME:

i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credit sand any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilised.

iv) The the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset toberecovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

**(q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation; (b) when no reliable estimate is possible; (c) unless the probability of outflow of resources is remote.

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iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

**(r) CURRENT AND NON-CURRENTCLASSIFICATION:**

i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".

ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realised within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

i) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period;(d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

**(s) GOVERNMENT GRANTS**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected remaining useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

**(t) SEGMENTREPORTING:**

i) Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM assesses the financial performance and position of the company, and makes strategic decisions. The CODM consists of the Chairman, Managing Director, Chief Executive Officer and Chief Financial Officer.

ii) The Company'soperatingbusinesses are organized and managed separately according to the nature of products, with each segment representing a strategic

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business unit that offers different products and serves different markets. The identifiable segments are Manufacturing and Sale of (a) Decorative Laminated Sheets(b) Medium Density Fibre Board and (c) Polyvinyl Chloride Board.

iii) The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are (a) Sales within India include sales to customers located within India; (b) Sales outside India include sales to customers located outside India.

iv) Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

v) TheUnallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

**(u) RELATED PARTY TRANSACTIONS:**

i) A related party is a person or entity that is related to the reporting entity preparing its financial statements

(a) A person or a close member of that person's family is related to reporting entity if that person;
  (i) has control or joint control of the reporting entity;
  (ii) has significant influence over the reporting entity; or
  (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies;
  (i) the entity and the reporting entity are members of the same group(which means that each parent,subsidiary and fellow subsidiary is related to the others);
  (ii) One entity is an associate or joint venture of the other entity(or an associate or joint venture of a member of a group of which the other entity is a member);
  (iii) Both entities are joint ventures of the same third party;
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  (vi) The entity is controlled or jointly controlled by a person identified in (a);
  (vii) A person identified in (a)
    (i) Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);
  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

iii) Disclosureofrelatedpartytransactionsasrequiredbytheaccountingstandardisfurnishedintheno tesonthe Standalone FinancialStatements.

**(v) EARNINGS PER SHARE:**

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(w) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:**

i) In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

ii) In case, the expenditure incurred by the Company is of such a nature which gives rise to an asset, such an asset is recognized where the Company retains the control of the asset and any future economic benefit accrues to it. A liability incurred by entering in to a contractual obligation is recognized to the extent to which CSR activity is completed during the year.

## (x) CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

#### (i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (`) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (`).

#### (ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

### b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

#### (i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

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**(ii) Contingent Liabilities**

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

**(iii) Evaluation of Indicators for Impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

**(iv) Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Annexure V

**RUSHIL DECOR LIMITED**
**Notes to The Restated IND AS Financial Statements**

(Amount in ₹)

| Particulars | Freehold Land | Leasehold Land | Buildings | Plant and Equipments | Furniture and Fixtures | Vehicles | Computers | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **NOTE NO : 1** | | | | | | | | |
| **Property, Plant and Equipment and Capital work-in-progress** | | | | | | | | |
| **Cost of Assets** | | | | | | | | |
| As at 1st April 2017 | 231000000 | - | 467479805 | 1219072264 | 23340620 | 47929329 | 4886692 | 1993708710 |
| Addition | 186184645 | - | 90782550 | 98057693 | 12283641.61 | 10230314 | 1610727 | 399149571 |
| Disposal / Adjustments | - | - | - | - | - | 2143457 | - | 2143457 |
| Transfer | - | - | - | 701745 | - | - | - | 701745 |
| As at 31st March 2018 | 417184645 | - | 558262355 | 1316428212 | 35624262 | 56016186 | 6497419 | 2390013079 |
| Addition | 65219855 | - | 25776024 | 81900592 | 11035915 | - | 2166059 | 186098445 |
| Disposal / Adjustments | - | - | - | - | - | - | - | - |
| Transfer | - | - | - | 327097 | - | - | - | 327097 |
| As at 31st March 2019 | 482404500 | - | 584038379 | 1398001707 | 46660176 | 56016186 | 8663479 | 2575784427 |
| Addition | 3942459 | - | 2479308 | 10341056 | - | 61201 | 573960 | 17397984 |
| Disposal / Adjustments | - | - | - | 567768 | - | 441681 | - | 1009449 |
| Transfer | - | - | - | - | 100000 | - | - | 100000 |
| As at 31st March 2020 | 486346959 | - | 586517687 | 1407774995 | 46560176 | 55635706 | 9237439 | 2592072962 |
| Depreciation | | | | | | | | |
| As at 1st April 2017 | - | - | 73585872 | 276947395 | 4295073 | 16665510 | 3426501 | 374920351 |
| Charge for the period | - | - | 15015937 | 49778639 | 2943241 | 6501705 | 692346 | 74931868 |
| Disposal / Adjustments | - | - | - | - | - | 1121694 | - | 1121694 |
| Transfer | - | - | - | 436249 | - | - | - | 436249 |
| **As at 31st March 2018** | - | - | 88601809 | 326289785 | 7238314 | 22045521 | 4118847 | 448294276 |
| Charge for the period | - | - | 17891056 | 55516177 | 4364869 | 6845300 | 1289018 | 85906420 |
| Disposal / Adjustments | - | - | - | - | - | - | - | - |
| Transfer | - | - | - | 50222 | - | - | - | 50222 |
| **As at 31st March 2019** | - | - | 106492865 | 381755740 | 11603183 | 28890821 | 5407865 | 534150474 |
| Charge for the period | - | - | 18140250 | 55631543 | 4462625 | 6495229 | 1779261 | 86508908 |
| Disposal / Adjustments | - | - | - | 204935 | - | 423945 | - | 628880 |
| Transfer | - | - | - | - | - | - | - | - |
| **As at 31st March 2020** | - | - | 124633115 | 437182348 | 16065808 | 34962105 | 7187126 | 620030502 |
| Net Block | | | | | | | | |
| As at 31st March 2018 | 417184645 | - | 469660546 | 990138427 | 28385948 | 33970665 | 2378572 | 1941718803 |
| As at 31st March 2019 | 482404500 | - | 477545514 | 1016245967 | 35056993 | 27125365 | 3255614 | 2041633953 |
| As at 31st March 2020 | 486346959 | - | 461884572 | 970592647 | 30494368 | 20673601 | 2050313 | 1972042460 |

CAPITAL WORK IN PROGRESS AND PRE-OPERATIVE EXPENSES:

(Amount in ₹ )

| Particulars | TOTAL |
|---|---|
| As at 31st March 2018 | 40777523 |
| As at 31st March 2019 | 977846643 |
| As at 31st March 2020 | 3384685486 |

(Amount in ₹)

| Particulars | As at 31st March, 2019 | |
|---|---|---|
| | Computer Software | Total |
| **NOTE NO : 2** | | |
| **Other Intangible assets** | | |
| Cost of Assets | | |
| As at 1st April 2017 | 1318458 | 1318458 |
| Addition | 1389000 | 1389000 |
| Disposal / Adjustments | - | - |
| As at 31st March 2018 | 2707458 | 2707458 |
| Addition | 262000 | 262000 |
| Disposal / Adjustments | - | - |
| As at 31st March 2019 | 2969458 | 2969458 |
| Addition | - | - |
| Disposal / Adjustments | - | - |
| As at 31st March 2020 | 2969458 | 2969458 |
| Amortization | | |
| As at 1st April 2017 | 1209456 | 1209456 |
| Charge for the period | 361588 | 361588 |
| Disposal / Adjustments | - | - |
| As at 31st March 2018 | 1571044 | 1571044 |
| Charge for the period | 384738 | 384738 |
| Disposal / Adjustments | - | - |
| As at 31st March 2019 | 1955782 | 1955782 |
| Charge for the period | 384738 | 384738 |
| Disposal / Adjustments | - | - |
| As at 31st March 2020 | 2340520 | 2340520 |
| Net Block | | |
| As at 31st March 2018 | 1136414 | 1136414 |
| As at 31st March 2019 | 1013676 | 1013676 |
| As at 31st March 2020 | 628938 | 628938 |

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| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 3** | | | | | | |
| **Investments (at amortised cost):** | | | | | | |
| (a) Investment in unquoted equity instruments Total 125 number of Equity shares of Indian Laminate Manufactures Association at ₹ 1000/- per share fully paid up | | 125000 | | 125000 | | - |
| (a) Investment in government scurities or trust National savings certificate | | - | | - | | 10000 |
| | | **125000** | | **125000** | | **10000** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 4** | | | | | | |
| **Trade Receivables :** | | | | | | |
| **Non-current Trade Receivable** | | | | | | |
| Unsecured,considered good unless otherwise stated | | 23080878 | | 17187896 | | 18508010 |
| | | **23080878** | | **17187896** | | **18508010** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 5** | | | | | | |
| **Loans :** | | | | | | |
| Unsecured considered good unless otherwise stated | | | | | | |
| - Loans to Staff | | 1038369 | | 966128 | | 2316780 |
| | | **1038369** | | **966128** | | **2316780** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 6** | | | | | | |
| **Other non-current assets :** | | | | | | |
| **Unsecured considered good unless otherwise stated** | | | | | | |
| (a) Advance for Capital goods | | 406555375 | | 816442704 | | 208814244 |
| (b) Security Deposit | | 66019773 | | 43651924 | | 24647220 |
| (c) Advance other than Capital goods | | 2060468 | | 17717 | | 46678 |
| (d) Other Loan and advances (including Balance with Government Authorities) | | 6572433 | | 256358 | | 478468 |
| (e) Advance Income Tax , TDS & TCS | | 3904693 | | 658254 | | 1278602 |
| (f) Prepaid Expenses | | 60110303 | | 68125009 | | - |
| | | **545223045** | | **929151966** | | **235265212** |

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M. No. 040230
FRN No. 107525W
CHARTERED ACCOUNTANTS

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 7** | | | | | | |
| **Inventories** | | | | | | |
| (a) Raw Materials* | | 271052495 | | 316137800 | | 306519929 |
| (b) Work in progress | | 51001333 | | 71580366 | | 56423632 |
| (c) Finished goods (Finished Goods at Port ₹ 3,42,69,008/- P.Y ₹ 2,44,19,401/- & F.Y 2017-18 ₹ 4,11,91,301/-)* | | 406273953 | | 388254177 | | 386595705 |
| (d) Stores and spares | | 126333926 | | 102471708 | | 81617721 |
| (e)Power & Fuel | | 1183845 | | 1191184 | | 1206163 |
| *Excluding goods damaged by flood ₹ 7969114/- (Finished Goods) P.Y.(i.e. F.Y.19-20) Excluding goods destroyed by fire of ₹ 6733265/- (Raw material ₹ 4658735/- and Finished Goods ₹ 2074530/-) (i.e, FY 18-19) *Including stock of Purchase for Trading goods ₹ 24,86,227/- (Raw material) and ₹ 34,30,272/- (Finished Goods) and in Finacial Year 2017-18 ₹ Nil | | | | | | |
| | | **855845552** | | **879635235** | | **832363150** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 8** | | | | | | |
| **Trade receivables :** | | | | | | |
| Unsecured, considered good unless otherwise stated | | 611594075 | | 552052810 | | 483244722 |
| **TOTAL** | | **611594075** | | **552052810** | | **483244722** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 9** | | | | | | |
| **Cash and cash equivalents** | | | | | | |
| (a) Balances with Scheduled Banks | | | | | | |
| In current Account | | 2032840 | | 871034 | | 2005739 |
| In EEFC Account in USD | | - | | 2213233 | | 367333 |
| In EEFC Account in EURO | | - | | - | | 58073 |
| In Dividend Account | | 180346 | | 88301 | | - |
| (b) Cash on hand | | 4337050 | | 3417256 | | 3220554 |
| | | **6550236** | | **6589824** | | **5651699** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 10** | | | | | | |
| **Other Bank balances** | | | | | | |
| (a) Fixed Deposit with Banks* | | 51653857 | | 52351674 | | 42341548 |
| * The Company has pledged above margin money deposit with bank as margin money against credit facilities towards bank guarantee and letter of credit. | | | | | | |
| | | **51653857** | | **52351674** | | **42341548** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 11** | | | | | | |
| **Loans (Unsecured considered good unless otherwise stated)** | | | | | | |
| (a) Other Loans | | - | | 31618262 | | 25000000 |
| | | **-** | | **31618262** | | **25000000** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 12** | | | | | | |
| **Other current assets (Unsecured considered good) :** | | | | | | |
| Balance with government authorities | | 224048488 | | 72540212 | | 28861829 |
| Income Tax Refund Receivable | | 7913781 | | - | | - |
| Licence on hand & Licence Receivables | | 81759610 | | 129438609 | | 71520872 |
| Advance to Suppliers | | 54659257 | | 53513065 | | 21345876 |
| Prepaid Expenses | | 28360339 | | 22905685 | | 12571674 |
| Other Advances | | 856240 | | 6797654 | | 5772962 |
| Insurance claim receivable | | 7969114 | | 6733265 | | - |
| | | **405566829** | | **291928490** | | **140073213** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 13** | | | | | | |
| **Share Capital :** | | | | | | |
| **Authorised :** | | | | | | |
| 20000000 ( p.y 20000000) Equity Shares of ₹ 10/- each | | 200000000 | | 200000000 | | 200000000 |
| | | **200000000** | | **200000000** | | **200000000** |
| **Issued & Subscribed and Paid up :** | | | | | | |
| 14931332 (P.Y 149313320) & (in F.Y. 2017-18 ₹ 147174600)Equity Shares of ₹ 10/- each fully paid up | | 149313320 | | 149313320 | | 147174600 |
| | | **149313320** | | **149313320** | | **147174600** |

| **1) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year** | **In numbers** | **31.03.2020 (in ₹)** | **In numbers** | **31.03.2019 (in ₹)** | **In numbers** | **31.03.2018 (in ₹)** |
|---|---|---|---|---|---|---|
| At the beginning of period | 14931332 | 149313320 | 14717460 | 147174600 | 14400000 | 144000000 |
| Issued during the year | - | - | 213872 | 2138720 | 317460 | 3174600 |
| Outstanding at the end of year | 14931332 | 149313320 | 14931332 | 149313320 | 14717460 | 147174600 |

Note : The company has only one class of shares having Par value of ₹ 10 per share. Each Share Holder ie eligible for one vote Per Share.

| **2) Details of shares held by each shareholder holding more than 5% shares:** | **As at 31 March, 2020** | **As at 31 March, 2020** | **As at 31 March, 2019** | **As at 31 March, 2019** | **As at 31 March, 2018** | **As at 31 March, 2018** |
|---|---|---|---|---|---|---|
| | **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** |
| Equity shares with voting rights | | | | | | |
| Ghanshyambhai Ambalal Thakkar | 1990900 | 13 | 1990900 | 13 | 1990900.00 | 14 |
| Krupesh Ghanshyambhai Thakkar and Ghanshyambhai Ambalal Thakkar Repre. Rushil International (Patnership Firm) | 1845770 | 12 | 1845770 | 12 | 1845770.00 | 13 |
| Krupesh Ghanshyambhai Thakkar | 1985925 | 13 | 1927866 | 13 | 1542484.00 | 10 |
| Krupesh G. Thakkar Karta of Krupesh Ghanshyambhai Thakkar (HUF) | 1389693 | 9 | 1389693 | 9 | 1389683.00 | 9 |
| Elara India Opportunities Fund Limited | 777700 | 5 | 777700 | 5 | - | - |

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| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 14** | | | | | | |
| **Other Equity :** | | | | | | |
| **a) Capital Redemption Reserve** | | 50000 | | 50000 | | 50000 |
| (For Redemption of Preference Share Capital) | | | | | | |
| **b) Others** | | | | | | |
| **1) Securities Premium** | | | | | | |
| Opening Balance | 798247876 | | 600157556 | | 403332356 | |
| Add : Addition during the year | - | | 198090320 | | 196825200 | |
| | 798247876 | 798247876 | 798247876 | 798247876 | 600157556 | 600157556 |
| **2) Amalgamation Reserve** | | 3300000 | | 3300000 | | 3300000 |
| **3) General Reserve** | | | | | | |
| Opening Balance | 6000000 | | 6000000 | | 6000000 | |
| Add : Addition during the year | - | 6000000 | - | 6000000 | - | 6000000 |
| **4) Revaluation Reserve (Fair value of land net of Deferred Tax Liability)** | | | | | | |
| Opening Balance | 185199141 | | 166811539 | | 166811539 | |
| Add : Addition during the year | - | 185199141 | 18387602 | 185199141 | - | 166811539 |
| **5) Retained Earnings** | | | | | | |
| Balance Brought Forward From Previous Year | 917106604 | | 783092008 | | 483706282 | |
| Add: Profit/(Loss) for the year | 230497159 | | 143349634 | | 309241481 | |
| Less: Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax | 3289337 | | -334782 | | -1125814 | |
| | 1150893100 | | 926106860 | | 791821949 | |
| Less :Final Dividend on equity share (amount per share ₹ 0.50 (31st March, 2017, 31st March, 2018 and 31st March,2019) | 7465666 | | 7465666 | | 7253333 | |
| Less : Tax on Equity Dividend | 1534590 | | 1534590 | | 1476608 | |
| | | 1141892844 | - | 917106604 | - | 783092008 |
| **6) Money received against share warrants :** | | | | | | |
| Opening Balance | - | | - | | 50000000 | |
| Add : Issued during the period | - | | - | | 149999800 | |
| Less: Converted into Equity Shares | - | | - | | 199999800 | |
| Closing Balance | - | - | - | - | - | - |
| | | **2134689861** | | **1909903621** | | **1559411103** |

| | 31.03.2020 (in ₹) | 31.03.2020 (in ₹) | 31.03.2019 (in ₹) | 31.03.2019 (in ₹) | 31.03.2018 (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 15**<br>**Borrowings :** | Current maturities | Non-Current Portion | Current maturities | Non-Current Portion | Current maturities | Non-Current Portion |
| (a) Term Loan (refer note 1 below) | | | | | | |
| From Banks | | | | | | |
| I.Bank of Baroda (refer note 1 below) | | | | | | |
| (a) Term loan A/c no 01500600020467 | - | - | - | - | 26134829 | - |
| (b) Term loan-iii External Commercial Borrowing (USD 63,00,000 ) | - | - | - | - | 68428500 | - |
| (c) Corporate loan A/c no 01500600020796 | 22500000 | 14948974 | 30000000 | 29823734 | 30000000 | 59633208 |
| (d) Term loan A/c no 01500600020907 | 3125000 | 7870380 | 6250000 | 11007986 | 6250000 | 17252252 |
| (e) Term loan A/c no 01500600021047 | 4687500 | 13995706 | 6250000 | 18637866 | 6250000 | 24833157 |
| (f) Term loan A/c no 01500600021195 | 11666666 | 99166667 | 23332000 | 110834667 | 5833000 | 99977944 |
| (g) Corporate loan A/c no 01500600021248 | 10000000 | 89979714 | 20000000 | 99964000 | - | 120000000 |
| (h) Term loan A/c no 01500600021225 | 2812500 | 14939623 | 2812500 | 17735442 | 937500 | 21452010 |
| (i) Term loan A/c no 01500600021317 | - | 267400000 | - | 250392905 | - | - |
| (j) Term loan External Commercial Borrowing (USD 15000000 ) [ LRN 201809163 ] | - | 1133475000 | - | 380352500 | - | - |
| II. ECA Loan from Foreign Bank (refer note 2 below) | | | | | | |
| (a) Bayerische Landesbank and LBBW ECA [LRN.201809103]* | - | 982391665 | - | 210432920 | - | - |
| III.Yes Bank (refer note 3 below) | | | | | | |
| (a) Business loan A/c no 021588900000352 | 5833338 | 74965379 | 10000008 | 81589516 | - | - |
| (b) Business loan A/c no 021588900000480 | 233128 | 2887682 | 2567476 | - | - | - |
| (b) Unsecured Loans from related parties | | | | | | |
| From Directors, Promoters and their related parties | 685000 | 603894313 | 1657000 | 547477753 | 3249152 | 8030535 |
| (c) From Others | | | | | | |
| Vehicle Loans (refer note 4 below) | 4764706 | 12029960 | 5034306 | 5747117 | 5174584 | 7735517 |
| Loan from LIC (refer note 5 below) | - | 2272500 | - | 3516250 | - | 3516250 |
| Loan from Financial Institution (refer note 6 below) | 10824160 | 13960642 | - | - | - | - |
| Loan from Karnataka VAT-I (refer note 7 below) | - | 2092782 | - | 1865225 | - | 1662411 |
| Loan from Karnataka VAT-II (refer note 7 below) | - | 9111475 | - | 8120744 | - | 7237740 |
| Loan from Karnataka VAT-III (refer note 7 below) | - | 4477300 | - | 3990463 | - | 3556563 |
| Loan from Karnataka VAT-IV (refer note 7 below) | - | 3688610 | - | 3688610 | - | - |
| Loan from Karnataka VAT-V (refer note 7 below) | - | 6528677 | - | - | - | - |
| Inter corporate loans | 3600000 | 3530422 | - | - | 1125740 | - |
| (d) Deferred Revenue (KVAT LOAN) (refer note 7 below) | - | 24858926 | - | 16767778 | - | 13755638 |
| | **80731998** | **3388466397** | **107903290** | **1801945476** | **153383305** | **388643225** |

*On the basis of the initial response received by the company, the company is confident that the lenders of these loans will also defer the repayment period as requested by the company in line with the other term loans lender, Bank of Baroda. Hence, on this assumption the term loan instalment falling due as of 15.12.2020, as per the original repayment schedule, has not been regarded as current maturity of long term debt but the same has been continued to be shown as a part of long term debt only.

**Note:1**

**Term loan from Bank of Baroda**

Secured by way of

(a) Hypothecation of entire current assets of the company present and future,

(b) Equitable mortgage of

(i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,

(ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company

(iii) residential bunglow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri Ghanshyambhai Thakkar

(iv) plot stiuated at lati bazar, ahmedabad in the name of Shri Ghanshyambhai Thakkar

(c) 2nd Charge over machinery 800 CBM Capacity MDF board unit proposed to be purchased from Siempelkamp - Germany and other related equipments/machineries to be financed by Byren LB and LBBW under supplier credit arrangement.

(d) Pledge of fixed deposit of ₹ 0.93 crores

(e) secured by way of personal guarantee of Shri Ghanshyambhai Thakkar and Shri Krupeshbhai Thakkar.

**Term of Repayment**

| **Particulars** | **Repayment Schedule** |
|---|---|
| Term loan A/C NO. 01500600020467 | 24 quarterly installments (23 installments of ₹ 6533707.33 plus interest) Interest will be charged as and when due. The repayment was proposed to start after 33 months (including moratorium period of 15 months from the date of first disburesment) |
| ECB TERM LOAN | 24 quarterly installments (24 installments of USD 262500 plus interest) The repayment has begun from April,2013. The repayment was proposed to start after 33 months initial moratorium from the date of first disburesment.March-15 term loan evaluated @62.495 per USD and March-14 term loan evaluated @59.89 per USD.So far as on Date 31/03/2017,sixteen installments are been paid. |
| Corporate loan A/C NO. 01500600020796 | Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 18 months from the date of first disbursement as under.The interest is to be served on monthly basis. |

| Year | No. of installments (₹ in lacs) | Total (₹ in lacs) |
|---|---|---|
| 2015-16 | 37.50x2 | 75 |
| 2016-17 | 50.00x4 | 200 |
| 2017-18 | 62.50x4 | 250 |
| 2018-19 | 75.00x4 | 300 |
| 2019-20 | 75.00x4 | 300 |
| 2020-21 | 75.00x3 | 225 |
| 2021-22 | 75.00x2 | 150 |
| | **TOTAL** | **1500** |

Corporate loan A/C NO. 01500600020907 — Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under.The interest is to be served on monthly basis.

| Year | No. of installments (₹ in lacs) | Total (₹ in lacs) |
|---|---|---|
| 2015-16 | 15.625x1 | 15.63 |
| 2016-17 | 15.625x4 | 62.50 |
| 2017-18 | 15.625x4 | 62.50 |
| 2018-19 | 15.625x4 | 62.50 |
| 2019-20 | 15.625x4 | 62.50 |
| 2020-21 | 15.625x2 | 31.25 |
| 2021-22 | 15.625x4 | 62.50 |
| 2022-23 | 15.625x1 | 15.63 |
| | **TOTAL** | **375.00** |

**Term of Repayment**

| **Particulars** | **Repayment Schedule** |
|---|---|
| Corporate loan A/C NO. 01500600021047 | Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date of first disbursement as under. The interest is to be served on monthly basis. |

| Year | No. of installments (₹ in lacs) | Total (₹ in lacs) |
|---|---|---|
| 2017-18 | 15.625x4 | 62.50 |
| 2018-19 | 15.625x4 | 62.50 |
| 2019-20 | 15.625x4 | 62.50 |
| 2020-21 | 15.625x3 | 46.88 |
| 2021-22 | 15.625x4 | 62.50 |
| 2022-23 | 15.625x4 | 62.50 |
| 2023-24 | 15.625x1 | 15.63 |
| | **TOTAL** | **375.00** |

Term loan A/C NO. 01500600021195 — Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 9 months from the date of commencement of commercial production in Equal amount as under.The interest is to be served on monthly basis.

| Year | No. of installments | Total (₹ in lacs) |
|---|---|---|
| 2018-19 | 58.333x1 | 58.33 |
| 2019-20 | 58.333x4 | 233.33 |
| 2020-21 | 58.333x2 | 116.67 |
| 2021-22 | 58.333x4 | 233.33 |
| 2022-23 | 58.333x4 | 233.33 |
| 2023-24 | 58.333x4 | 233.33 |
| 2024-25 | 58.333x4 | 233.33 |
| 2024-25 | 58.333x1 | 58.33 |
| | **TOTAL** | **1400.00** |

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| | |
|---|---|
| Corporate loan A/C NO. 01500600021248 | Corporate loan is to be repaid in 24 quarterly installments after completion of moratorium period of 12 months from the date disbursement as under.The interest is to be served on monthly basis. |

| Year | No. of installments | Total (₹ in lacs) |
|---|---|---|
| 2019-20 | 50.00x4 | 200.00 |
| 2020-21 | 50.00x2 | 100.00 |
| 2021-22 | 50.00x4 | 200.00 |
| 2022-23 | 50.00x4 | 200.00 |
| 2023-24 | 50.00x4 | 200.00 |
| 2024-25 | 50.00x4 | 200.00 |
| 2025-26 | 50.00x2 | 100.00 |
| | **TOTAL** | **1200.00** |

| | |
|---|---|
| Term loan A/C NO. 01500600021225 | Term loan is to be repaid in 24 quarterly installments commencing after a moratorium period of 12 months from the date of first disbursement in Equal amount as under.The interest is to be served on monthly basis. |

| Year | No. of installments | Total (₹ in lacs) |
|---|---|---|
| 2018-19 | 9.375x2 | 18.75 |
| 2019-20 | 9.375x3 | 28.13 |
| 2020-21 | 9.375x3 | 28.13 |
| 2021-22 | 9.375x4 | 37.50 |
| 2022-23 | 9.375x4 | 37.50 |
| 2023-24 | 9.375x4 | 37.50 |
| 2024-25 | 9.375x4 | 37.50 |
| | **TOTAL** | **225.00** |

| | |
|---|---|
| Term loan A/C NO. 01500600021317 (Rupee Term Loan for Andhra Pradesh Project) | 24 quarterly installments of ₹ 1.114 Crore +Interest commencing after 12 months from COD. Interest to be serviced as and when applied. The revised approved COD is April 2021 therefore the repayment will commence from April 2022. |
| ECB TERM LOAN (USD 15000000 ) (From BOB London for Andhra Pradesh Project) | 24 quarterly installments (24 installments of USD 625000 plus interest) commencing after 4 quarters form COD. The revised approved COD is April 2021 therefore the repayment will commence from April 2022. |

**Note:2**
**Loan from Foreign Bank**

| | |
|---|---|
| Bayerische Landesbank and LBBW ECA [LRN.201809103], Germany | 17 half yearly installments (16 installments of EURO 784161.76 and 1 installment of EURO 784161.84) starting from 15th December 2020.<br><br>The company has already approached the said lenders with a request for deferment of the instalments so that the earliest day of starting of the first instalment is deferred to 15.12.2021, in view of the delay in commissioning of the Andhra Pradesh Project since there is a material reason for delay and since the Indian lenders of Rupee term loans for the Andhra Pradesh Project have already conveyed their approval. The revised approved COD is April 2021 therefore the repayment will commence from April 2022. |

Secured by way of hypothecation of machinery, equipment for a Meduim Densiity Fiberboard (MDF) manufacturing plant to be provided by Siempelkamp Maschinen and Anlagenbau GmbH at plant situated of Rushil Decor Limited - Atchutapuram, Vishakhapatman, Andhra Pradesh, India

**Note:3**
**Business loan from Yes Bank**

Secured by way of Equitable Mortgage of a) residential bunglow situated 18,19, Pushpa dhanwa Bunglows, vastrapur, ahmedabad belonging to Shri Kurpeshbhai G. Thakkar b) Rushil Corporate House, Nr GIHED House, off Sindhu Bhawan Road, Nr. S.P.Ring Road, Ahmedabad-380058 belonging to Shri Kurpeshbhai G. Thakkar and also further secured by way of personal gurantee of Shri Krupesh Thakkar

**Term of Repayment**

| Particulars | Repayment Schedule |
|---|---|
| Business loan A/c no 021588900000352 | Payable in 120 monthly installments of ₹ 833334/- commencing from November-2018 |
| Business loan A/c no 021588900000480 | Payable in 120 monthly installments of ₹ 283333/- commencing from November-2018 |

**Note :4** Secured by hypothecation on vehicle purchased under hire purchase agreements.Repayment schedule is as under.

| Name of Bank | Monthly installments including interest (In ₹) | Period | Commencing Date |
|---|---|---|---|
| AXIS BANK LTD LOAN NO. AUR000302498262 | 36880 | 10.7.2017 TO 10.6.2020 | 10.7.2017 |
| AXIS BANK LTD LOAN NO. AUR000302328191 | 94286 | 10.4.2017 TO 10.3.2020 | 10.4.2017 |
| ICICI BANK LTD A/C NO LAABD00032973849 | 87056 | 1.8.2015 TO 1.7.2018 | 1.8.2015 |
| ICICI BANK LOAN A/C NO/ LAABD00034403676 | 18556 | 1.06.2016 TO 1.05.2019 | 1.06.2016 |
| ICICI BANK LTD A/C NO LAABD00030528056 | 90312 | 1.12.2014 TO 1.11.2019 | 1.12.2014 |
| ICICI BANK LTD A/C NO LAABD00037234986 | 31141 | 5.5.2018 TO 5.10.2020 | 5.5.2018 |
| ICICI BANK LTD A/C NO LAAB00035591912 | 50405 | 10.5.2017 TO 10.4.2020 | 10.5.2017 |
| BANK OF BARODA LOAN A/C No.01500600020859 | 10747 | 5.6.2014 TO 5.5.2019 | 5.6.2014 |
| AXIS BANK LTD LOAN NO. CER000305013436 | 121901 | 1.3.2020 TO 1.2.2023 | 1.3.2020 |
| AXIS BANK LTD LOAN NO. CER000305013861 | 121901 | 1.3.2020 TO 1.2.2023 | 1.3.2020 |

PARIKH & MAJUMDAR CHARTERED ACCOUNTANTS FRN No. 107525W M. No. 040230

| | | | |
|---|---|---|---|
| AXIS BANK LTD LOAN NO. AUR000304000399 | 25013 | 1.5.2019 TO 1.5.2022 | 1.5.2019 |
| ICICI BANK LTD A/C NO LAABD00037234986 | 31141 | 5.5.2018 TO 5.10.2020 | 5.5.2018 |
| ICICI BANK LTD A/C NO LAABD00037235586 | 13823 | 5.5.2018 TO 5.10.2020 | 5.5.2018 |
| YES BANK LOAN A/C NO CE000700459832 | 31265 | 8.2.2019 TO 8.12.2022 | 8.2.2019 |
| YES BANK LOAN A/C NO - CEL000700459833 | 22235 | 8.2.2019 TO 8.12.2022 | 8.2.2019 |
| YES BANK LOAN A/C NO -CEL000700619516 | 38050 | 15.1.2020 TO 15.11.2023 | 15.1.2020 |
| YES BANK LOAN A/C NO -CEL000700619601 | 22300 | 15.1.2020 TO 15.11.2023 | 15.1.2020 |
| YES BANK LOAN A/C NO -CEL000700619680 | 22300 | 15.1.2020 TO 15.11.2023 | 15.1.2020 |
| KOTAK MAHINDRA BANK LTD (LOAN AGREE NO CE-452818) | 70706 | 1.8.2015 TO 1.6.2018 | 1.8.2015 |
| KOTAK MAHINDRA BANK LTD (LOAN AGREE NO CE-452824) | 70706 | 1.8.2015 TO 1.6.2018 | 1.8.2015 |
| KOTAK MAHINDRA BANK LTD (LOAN AGREE NO CE-14833009) | 134925 | 1.10.2017 TO 1.9.2022 | 1.10.2017 |

**Note :5** Secured against pledge of keyman Insurance policies of directors.

**Note :6** Unsecured Loan from Financial Institution.Repayment schedule is as under.

| Name | Loan Amount | Current maturities | Monthly installments including interest (In ₹) | Period | Commencing Date |
|---|---|---|---|---|---|
| ICICI BANK LTD. LOAN A/C NO. UPABD00041569635 | 4770000 | 1328368 | 169338 | 5.4.2020 TO 5.9.2022 | 5.4.2020 |
| IDFC FIRST BANK. LOAN A/C NO 31147307 | 5100000 | 1445904 | 178045 | 2.4.2020 TO 2.3.2023 | 2.4.2020 |
| IIFL LTD. LOAN A/C NO SL2559852 | 4967865 | 2096390 | 246809 | 3.5.2020 TO 3.4.2022 | 3.5.2020 |
| MAGMA FINCORP LIMITED LOAN A/C NO PS/0104/P/18/000015 | 4995479 | 1402167 | 177022 | 3.4.2020 TO 3.3.2023 | 3.4.2020 |
| TATA CAPITAL LTD. LOAN A/C NO TCFBL0272000010825679 | 4951458 | 4551331 | 454838 | 5.4.2020 TO 5.4.2021 | 5.4.2020 |
| | 24784802 | 10824160 | | | |

**Note :7**

**Loan from Karnataka VAT**

Secured by way of Bank guarantee. The loan is repayable in 3 equal annual installment as per details mentioned below:

| Due Date | Particulars of repayment of principal | Particulars of repayment of principal amount for VAT -II | Particulars of repayment of principal amount for VAT -III | Particulars of repayment of principal amount for VAT -IV | Particulars of repayment of principal amount for VAT-V |
|---|---|---|---|---|---|
| 01-04-2021 | 980992 | - | - | - | - |
| 01-04-2022 | 980992 | 4792065 | - | - | - |
| 01-04-2023 | 980991 | 4792065 | - | - | - |
| 01-04-2024 | - | 4792065 | 2964394 | - | - |
| 01-04-2025 | - | - | 2964394 | 2740156 | - |
| 01-04-2026 | - | - | 2964394 | 2740156 | 5441650 |
| 01-04-2027 | - | - | - | 2740156 | 5441650 |
| 01-04-2028 | - | - | - | - | 5441650 |
| **Total *** | **2942975** | **14376195** | **8893182** | **8220468** | **16324950** |

* Repayment amount is actual repayment to be made while in books, outstanding basis after doing amortisation

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 16a** **Trade Payables** - dues to micro and small enterprises - dues to other than micro and small enterprises (including trade payable for capital goods ₹ 64,59,711/- previous year 31.3.2019 ₹ 42,67,656/- and year 31.3.2018 ₹ 42,67,656/- ) | | -<br>10644336 | | -<br>4348634 | | -<br>4291927 |
| | | **10644336** | | **4348634** | | **4291927** |
| **NOTE NO : 16b** **Other Financial Liabilities :** | | | | | | |
| | Current maturities | Non-Current Portion | Current maturities | Non-Current Portion | Current maturities | Non-Current Portion |
| (a) Trade Deposit from Customers | 1226000 | 76022584 | 7303355 | 37059453 | 1725000 | 37359066 |
| | 1226000 | **76022584** | 7303355 | **37059453** | 1725000 | **37359066** |

**RUSHIL DECOR LIMITED**

Notes to The Restated IND AS Financial Statements

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 17** | | | | | | |
| **Long term provisions :** | | | | | | |
| (a) Provision for Employee Benefit - Gratuity | | 21319445 | | 13756009 | | 11244231 |
| | | **21319445** | | **13756009** | | **11244231** |

| | 31.03.2020 (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|
| **NOTE NO : 18** | | | | |
| Deferred tax liabilities (Net) | 234895026 | 307353142 | | 283843991 |
| | **234895026** | **307353142** | | **283843991** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 19** | | | | | | |
| **Other non-current liabilities :** | | | | | | |
| (a) Deferred Revenue (Subsidy) | | | | | | |
| At the beginning of the year | 11908776 | | 12544184 | | 13179592 | |
| Add: Added during the year | - | | - | | - | |
| Less: Released to the statement of profit and loss at the end of the year | -635408 | | -635408 | | -635408 | |
| | 11273368 | | 11908776 | | 12544184 | |
| Less : Current (Amount Disclosed under the head Other Current Liabilities refer Note 23) | -635408 | | -635408 | | -635408 | |
| Non-current | | 10637960 | | 11273368 | | 11908776 |
| (b) Deferred Revenue (Govt Grant-EPCG) | | | | | | |
| At the beginning of the year | 68750000 | | - | | - | |
| Add: Added during the year | - | | 68750000 | | - | |
| Less: Released to the statement of profit and loss at the end of the year | - | 68750000 | - | 68750000 | - | - |
| (c) Advance from customers | | - | | - | | 1579785 |
| | | **79387960** | | **80023368** | | **13488561** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 20** | | | | | | |
| **Borrowings :** | | | | | | |
| **Current Borrowings** | | | | | | |
| (a) Loans repayable on demand | | | | | | |
| **Working Capital From Banks** | | | | | | |
| Bank of Baroda - Cash Credit Loans (including Working capital demand loan of ₹ 20 crore P.Y ₹ 20 crore and F.Y. 2017-18 ₹ 10 crore(refer note no.1) | | 345269065 | | 290165534 | | 230803317 |
| Bank of Baroda - Packing Credit (refer note no.1) | | 183362114 | | 173722667 | | 176098141 |
| Bank of Baroda - Foreign Bills Purchase (refer note no.1) | | 54528210 | | 65992443 | | 61313421 |
| | | **583159389** | | **529880644** | | **468214879** |

PARIKH & MAJUMDAR CHARTERED ACCOUNTANTS FRN No. 107525W

**Note:1**
**Working Capital facility from Bank of Baroda**

Secured by way of
(a) Hypothecation of entire current assets of the company present and future,
(b) Equitable mortgage of
(i) Land, building and Plant & Machinery belonging to the company both present and future to be constructed,
(ii) office premises situated at flat no 1 & 2 krinkal apartment, paldi, ahmedabad belonging to the company
(iii) residential bunglow situated 4, pushpa dhanwa owners association, vastrapur, ahmedabad belonging to Shri Ghanshyambhai Thakkar
(iv) plot stiuated at lati bazar, ahmedabad in the name of Shri Ghanshyambhai Thakkar
(c) 2nd Charge over machinery 800 CBM Capacity MDF board unit proposed to be purchased from Siempelkamp - Germany and other related equipments/machineries to be financed by Byren LB and LBBW under supplier credit arrangement.
(d) Pledge of fixed deposit of ₹ 0.93 crores
(e) secured by way of personal guarantee of Shri Ghanshyambhai Thakkar and Shri Krupeshbhai Thakkar.

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 21** | | | | | | |
| **Trade payables :** | | | | | | |
| Total outstanding dues of micro and small enterprises (including trade payable for capital goods ₹ 3,59,040/- previous year ₹69,646/- and year 31.3.2018 ₹ 1,55,232/-) (refer note no.21a) | | 53438067 | | 38403268 | | 43074016 |
| Total outstanding dues other than micro and small enterprises (including trade payable for capital goods ₹ 24,12,77,386/- prevelous year ₹ 9,79,55,940/- and year 31.3.2018 ₹ 5,13,56,220/-) | | 904414821 | | 699634541 | | 594467676 |
| | | **957852888** | | **738037809** | | **637541692** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **Note No. :21a Trade Payables - Total outstanding dues of Micro & Small Enterprises*** | | | | | | |
| a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal | | 53438067 | | 38403268 | | 43074016 |
| b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year. | | - | | - | | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | | - | | - | | - |
| d) Interest accrued and remain unpaid as at year end | | - | | - | | - |
| e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises | | - | | - | | - |

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 22** | | | | | | |
| **Other financial liabilities :** | | | | | | |
| (a) Current maturities of long-term debt; | | 81272998 | | 113549645 | | 151859153 |
| (b) From Directors, Promoters and their related parties | | 685000 | | 1657000 | | 3249152 |
| (c) Interest accrued but not due on borrowings; | | 18722170 | | 4952598 | | 907575 |
| (d) Share Application Money (Refundable) (Refer Note No. 52) | | 250 | | 250 | | - |
| (e) Unclaimed Equity Dividend | | 180346 | | 88301 | | - |
| | | **100860764** | | **120247794** | | **156015880** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 23** | | | | | | |
| **Other Current Liabilites :** | | | | | | |
| Advance from customers | | 26723991 | | 12839851 | | 14679668 |
| Duties and taxes | | 4781184 | | 10677873 | | 2894412 |
| Deferred Revenue (Subsidy) | | 635408 | | 635408 | | 635408 |
| | | **32140583** | | **24153132** | | **18209488** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 24** | | | | | | |
| **Provisions** | | | | | | |
| Provision for employee benefits | | 9399512 | | 7961638 | | 6159610 |
| Provision for Gratuity | | 5707576 | | 4301638 | | 2476750 |
| Provision for expenses | | 36434085 | | 51304143 | | 10095028 |
| | | **51541173** | | **63567419** | | **18731388** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 25** | | | | | | |
| **Current Tax Liabilities (Net):** | | | | | | |
| Provision of Income tax (Net of Advance Tax & TDS) | | | | | | |
| For 2017 - 2018 | - | | - | | 24237043 | |
| For 2018 - 2019 | - | | 2511736 | | - | |
| For 2019 - 2020 | 37740999 | | - | | - | |
| | | 37740999 | | 2511736 | | 24237043 |
| | | 37740999 | | 2511736 | | 24237043 |

PARIKH & MAJUMDAR
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| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 26** | | | | | | |
| I. Revenue from operations | | | | | | |
| **A.Sale of Products** | | | | | | |
| Direct Export Turnover | | 1032514361 | | 1058404411 | | 975378971 |
| Domestic Turnover | | 2239166040 | | 2278443034 | | 2431538212 |
| Gross Turnover | | 3271680401 | | 3336847445 | | 3406917183 |
| **B.Other Revenue from operations** | | **84300011** | | **100573479** | | **102840066** |
| Total Revenue from operations | | **3355980412** | | **3437420924** | | **3509757249** |

| **Other operating revenue as under** | | **31.03.2020 (in ₹)** | | **31.03.2019 (in ₹)** | **Amount (in ₹)** | **31.03.2018 (in ₹)** |
|---|---|---|---|---|---|---|
| - Licence due income | | 84300011 | | 100573479 | | 102840066 |
| **Total** | | **84300011** | | **100573479** | | **102840066** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 27** | | | | | | |
| **Other Income :** | | | | | | |
| Foreign Exchange Gain | | 12641909 | | 50528983 | | 18911944 |
| Interest Income (TDS ₹ 11,59,001/-and P.Y. ₹ 28,46,483/- & in F.Y.17-18 ₹ 6,34,492/-) | | 8164208 | | 27843519 | | 7520450 |
| Keyman policy maturity amount | | 5251200 | | - | | - |
| Claim for loss of stock (Refer Note no. 47) | | 7969114 | | 5894389 | | - |
| Profit on Sale of Fixed Assets | | 552879 | | - | | - |
| Sundry Balances Written off | | 143596 | | - | | - |
| Deferred Revenue Amortised (IND AS-20) (Refer note No. 19) | | 635408 | | 635408 | | 635408 |
| | | **35358314** | | **84902299** | | **27067802** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 28** | | | | | | |
| **Cost of Materials Consumed:** | | | | | | |
| **Raw Material Consumed:** | | | | | | |
| Opening Stock of Raw Material | 316137800 | | 306519929 | | 235485736 | |
| **Less :**Transfer to purchase of stock in trade | 5191417 | | - | | - | |
| Net Opening Stock of Raw Material | 310946383 | | 306519929 | | 235485736 | |
| **Add :** Purchases (Net of Excise, Discount Rate Diff. & Material for Resale ₹ 83,44,635/- previous year ₹ 6,11,113/- & in F.Y.2017-18 ₹ 1,55,10,713/- | 1611057747 | | 1858297635 | | 1870211244 | |
| **Add :** Freight, Octroi, and Clearing & Forwarding | 37597998 | | 27170496 | | 31319679 | |
| **Add :** C.V.D., Other Duty & Licence Use | 42393964 | | 57857495 | | 65811830 | |
| | 2001996092 | | 2249845555 | | 2202828489 | |
| **Less :** Closing Stock of Raw Material* *Excluding goods destroyed by fire of C.Y. Nil and P.Y. ₹ 4658735/- and F.Y.2017-18 Nil) * Including stock of Purchase for Trading goods ₹ 24,86,227/- and P.Y. Nil and F.Y. 2017-18 Nil) | 271052495 | | 316137800 | | 306519929 | |
| | | **1730943597** | | **1933707755** | | **1896308560** |

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| | 31.03.2020 (in ₹) | 31.03.2019 (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|
| **NOTE NO : 29** | | | |
| **Purchase of Stock-in-Trade** | | | |
| Melamine | 1555000 | 560000 | 1939795 |
| Phenol | - | - | 12589077 |
| Methanol | 2640154 | - | - |
| Base Paper | - | 2132 | 364666 |
| Caprolactem | - | 16061 | - |
| PTS Amide | - | 8947 | - |
| PVC sheets | 4149481 | - | - |
| PVC Foil and PVC Film | 5191417 | - | - |
| Tissue Paper | - | - | 379346 |
| Treated Kraft Sheets | - | - | 922 |
| Kraft Paper | - | 23973 | 236907 |
| **Total** | **13536052** | **611113** | **15510713** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 30** | | | | | | |
| Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress | | | | | | |
| **Opening Stock** | | | | | | |
| Finished Goods | 388254177 | | 386595705 | | 282832868 | |
| Stock-in-Progress | 71580366 | | 56423632 | | 56948716 | |
| | 459834543 | | 443019337 | | 339781584 | |
| **Less : Closing Stock *** | | | | | | |
| Finished Goods | 406273953 | | 388254177 | | 386595705 | |
| Stock-in-Progress | 51001333 | | 71580366 | | 56423632 | |
| * Excluding goods damaged by flood ₹ 7969114/- (Finished Goods) P.Y.Excluding goods destroyed by fire of ₹ 2074530/- | | | | | | |
| * Including stock of Trading goods ₹ 34,30,272/- (Finished Goods) | | | | | | |
| | 457275286 | | 459834543 | | 443019337 | |
| **Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress** | | **2559257** | | **-16815206** | | **-103237753** |

| **Details of Finished Goods** | 31.03.2020 (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|
| - Decorative laminate sheet | 263102329 | 241579354 | | 267930144 |
| - Particle Board | - | - | | - |
| - Medium Density Fiber Board | 110192071 | 114229422 | | 101410062 |
| - Polyvinayl Chloride Board | 32979553 | 32445401 | | 17255499 |
| **Total** | **406273953** | **388254177** | | **386595705** |

| | Amount (in ₹) | 31.3.2020 (in ₹) | 31.3.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|
| **NOTE NO : 31** | | | | | |
| **Excise duty** | | | | | |
| Excise duty on Sales | | - | - | | 74564991 |
| | | - | - | | **74564991** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 32** | | | | | | |
| **Employee benefits expenses** | | | | | | |
| Salary & Bonus | | 284935392 | | 248977246 | | 203601327 |
| Contribution to Provident Fund etc. | | 8220064 | | 7245924 | | 6192193 |
| | | **293155456** | | **256223170** | | **209793520** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 33** | | | | | | |
| **Finance Costs** | | | | | | |
| Interest on Cash Credit | | 43176255 | | 41746796 | | 29880504 |
| Interest on Term Loan | | 36855948 | | 45273852 | | 32575690 |
| Interest to Unsecured loan | | 5955870 | | 23555425 | | 7704029 |
| Interest to Financial Institution | | 13212142 | | 2044546 | | 1798232 |
| Other Financial Charges | | 21242908 | | 23283532 | | 15065052 |
| Exchange difference regarded as an adjustment to borrowing cost | 127452681 | | - | | - | |
| Less: Finance cost capitalised | 127452681 | - | - | - | - | - |
| Foreign Exchange Fluctuation | | - | | - | | - |
| | | **120443123** | | **135904151** | | **87023507** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 34** | | | | | | |
| **Other Expenses** | | | | | | |
| Stores & Spares Consumed : | | | | | | |
| Opening Stock | 102471708 | | 81617721 | | 42272865 | |
| Add : Purchases | 89648948 | | 76619884 | | 89999009 | |
| | 192120656 | | 158237605 | | 132271874 | |
| Less: Closing Stock | 126333926 | 65786730 | 102471708 | 55765897 | 81617721 | 50654153 |
| Commission on Imports | | 1393210 | | 1390457 | | 555877 |
| Central Excise Duty Expenses | | 86522 | | 122081 | | 648093 |
| Jobwork Charges | | 59426384 | | 26314077 | | 8359546 |
| Power & Fuel Consumed : | | | | | | |
| Opening Stock | 1191184 | | 1206163 | | 495966 | |
| Add : Purchases | 280524657 | | 268359540 | | 259840718 | |
| | 281715841 | | 269565703 | | 260336684 | |
| Less: Closing Stock | 1183845 | 280531996 | 1191184 | 268374519 | 1206163 | 259130521 |
| Repairs & Maintenance : | | | | | | |
| Machinery | 6023300 | | 18996416 | | 7515382 | |
| Building | 1037720 | | 2222719 | | 2859661 | |
| Others | 294597 | 7355617 | 471225 | 21690360 | 1202159 | 11577202 |
| Wages | | 105695155 | | 103837730 | | 111646981 |
| Transport Charges | | 3509178 | | 2344947 | | 1222535 |
| Factory Expenses | | 15066146 | | 16966485 | | 15908281 |
| Advertisement Expenses | | 24005914 | | 3538534 | | 26819769 |
| Audit Fees* | | 500000 | | 500000 | | 375000 |
| Sales Commision | | 42417895 | | 44629760 | | 51191320 |
| Computer Maintenance Expenses | | 2142403 | | 2398695 | | 1616801 |
| Corporate Social Responsibility contribution | | 6308735 | | 6496931 | | 6948893 |
| Donation | | 156500 | | 480266 | | 285900 |
| General/ Miscellaneous Expenses | | 8741423 | | 10124683 | | 9693741 |
| Insurance Expenses | | 7764366 | | 5806571 | | 3567908 |
| Legal & Professional Charges | | 17703812 | | 13415795 | | 17518576 |
| Loss on Sale of Fixed Assets | | - | | - | | 61075 |
| Goods destroyed by fire | | 2082264 | | - | | - |
| Postage and Telephone Expenses | | 5147696 | | 4567951 | | 4518076 |
| Equity Enhancement Exppense | | - | | - | | 503001 |
| Printing and Stationary Expenses | | 1571365 | | 2129707 | | 2050660 |
| Swachh Bharat Cess | | - | | - | | 255610 |
| Krishi Kalyan Cess | | - | | - | | 252691 |
| Rent,Rate and Taxes | | 12950823 | | 12454288 | | 11423490 |
| Selling Expenses | | 237053649 | | 255735957 | | 217784722 |
| Sundry Balances Written off | | - | | 1446539 | | 2502268 |
| Travelling, Conveyance and Vehicle Expenses | | 39247402 | | 36674906 | | 34871409 |
| | | **946645185** | | **897207136** | | **851944099** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| ***Audit Fees** | | | | | | |
| As auditors - Statutory audit | | 350000 | | 350000 | | 250000 |
| Tax audit | | 150000 | | 150000 | | 125000 |
| Taxation Matters | | - | | - | | - |
| Company Law Matters | | - | | - | | - |
| Certification fees & other services | | - | | - | | - |
| Reimbursement of expenses | | - | | - | | - |
| | | **500000** | | **500000** | | **375000** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **NOTE NO : 35** | | | | | | |
| **Tax expense :** | | | | | | |
| (1) Current Tax expense | | 53900000 | | 65600000 | | 105100000 |
| (2) Current Tax expense relating to prior years | | -13670341 | | 267735 | | - |
| (3) Deferred Tax | | -73564408 | | 19976577 | | 15282477 |
| | | **-33334749** | | **85844312** | | **120382477** |

| | Amount (in ₹) | 31.03.2020 (in ₹) | Amount (in ₹) | 31.03.2019 (in ₹) | Amount (in ₹) | 31.03.2018 (in ₹) |
|---|---|---|---|---|---|---|
| **Reconciliation of the Income Tax Expense (Current Tax + Deferred Tax) amount considering the enacted Income Tax Rate and effective Income Tax Rate of the Company as follows.** | | | | | | |
| Enacted Income Tax Rate in India applicable to the Company | 25.168% | | 34.944% | | 34.608% | |
| Accounting Profit Before Tax | 197162410 | | 229193946 | | 427932342 | |
| Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India | 49621836 | | 80089532 | | 148098825 | |
| Non deductible expenses for Tax Purpose | 30652151 | | 34689979 | | 32608487 | |
| Deductible Expenses for Tax purposes | -26373987 | | -49179511 | | -42556639 | |
| MAT Credit Entitlement | - | | - | | -33050673 | |
| Excess Provision of earlier years written back | -13670341 | | 267735 | | - | |
| **A :** Current tax as reported in the Statement of Profit and Loss | | 40229659 | | 65867735.28 | | 105100000 |
| Reconciliation of Deferred Tax Liability | | | | | | |
| Timing Difference of Depreciation (Deferred tax liability) | -69863095 | | 21312158 | | 15477468 | |
| Gratuity Payment (Deferred Tax Liability) | -1598389 | | -1335581 | | - | |
| Capital gain on land revaluation-Deferred Tax Liability) | -2102924 | | - | | -194991 | |
| **B :** Deferred tax as reported in the Statement of Profit and Loss | | -73564408 | | 19976577 | | 15282477 |
| **C : Total Tax expense as reported in the Statement of Profit and Loss C=A+B** | | **-33334749** | | **85844312** | | **120382477** |

| | Year ended 31st March,2020 | | Year ended 31st March,2019 | | Year ended 31st March,2018 |
|---|---|---|---|---|---|
| **NOTE NO : 36** | | | | | |
| **Earnings Per Share :** | | | | | |
| **Basic/Diluted Earnings per Share** | | | | | |
| Number of Equity Shares at the beginning of the year | 14931332 | | 14717460 | | 14400000 |
| Number of Equity Shares alloted during the year: | | | | | |
| 80000 Shares alloted during the year dated 17th May 2017 | - | | - | | 80000 |
| 26666 Shares alloted during the year dated 29th May 2017 | - | | - | | 26666 |
| 105820 Shares alloted during the year dated 25th Nov. 2017 | - | | - | | 105820 |
| 104974 Shares alloted during the year dated 15th Feb 2017 | - | | - | | 104974 |
| 190372 Shares alloted during the year dated 28th April 2018 | - | | 190372 | | - |
| 23500 Shares alloted during the year dated 19th July 2018 | - | | 23500 | | - |
| Total Number of Equity Shares at the end of the year | 14931332 | | 14931332 | | 14717460 |
| Weighted average number of equity shares | 14931332 | | 14910232 | | 14542108 |
| Profit for the year (after tax,available for equity shareholders) In ₹ | 230497159 | | 143349634 | | 309241481 |
| **Basic and Diluted Earnings Per Share ₹** | 15.44 | | 9.61 | | 21.27 |

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## 37. Capital Commitments and Contingent Liabilities:

### a. Contingent liabilities :

**(1) Claims against the Company not acknowledged as debts:**

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| 1. Disputed Income Tax Demand Matter Under Appeal | - | 2,63,222 | 10,64,110 |
| 2. Disputed Excise Demand Matter Under Appeal | 85,32,395 | 83,96,065 | 83,96,065 |
| 3. Disputed Custom Duty Matter Under Appeal | 27,55,536 | 27,55,536 | 27,55,536 |
| 4. Disputed VAT Liability matter under Appeal | - | - | 16,89,373 |
| 4. Provident Fund (For the year 2018-19): The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present. | | | |

Note:

(a) It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.

(b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(2) Outstanding Letters of Credit

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Outstanding Letters of Credit | - | - | 2,69,57,924 |

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(3) Outstanding Bank Guarantee

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Outstanding Bank Guarantee | 6,88,01,509 | 4,11,63,370 | 2,62,12,352 |

**(b) Commitments:**

**(1) Capital Commitments:**

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances | 19,53,41,794 | 148,31,91,612 | 107,89,28,751 |

**(2) EPCG Commitments**

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty. | 203,36,62,500 | 203,36,62,500 | - |

**38. Financial and derivative instruments**

- **Capital Management**

  The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

**Disclosures**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

## (i) Categories of Financial Instruments

Amount (in ₹)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| **Financial Assets** | | | |
| **Measured at Amortised Cost** | | | |
| (i) Trade and Other Receivables | 634674952 | 569240706 | 501752732 |
| (ii) Cash and Cash Equivalents | 6550236 | 6589824 | 5651699 |
| (iii) Loans | 1038369 | 32584390 | 27316780 |
| (iv) Other Financial Assets | 125000 | 125000 | 10000 |
| | | | |
| **Financial Liabilities** | | | |
| **Measured at Amortised Cost** | | | |
| (i) Borrowings | 3971625786 | 2331826120 | 856858104 |
| (ii) Trade Payables | 968497223 | 742386443 | 641833619 |
| (iii) Other Financial Liabilities | 176883349 | 157307246 | 193374946 |

### (ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets. **Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).** Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

### (iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

(a) For hedging currency

(in₹lacs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Outstanding Forward Contract | 1707.98 | 1278.44 | 2767.81 |

(b) The year-end foreign currency exposure that have not been hedged by any derivative instruments or otherwise are as under.

| Particular | Amount receivable in Foreign Currency | | | Amount Payable in Foreign Currency | | |
|---|---|---|---|---|---|---|
| | Foreign Currency (in Millions) | Exchange Rate | Indian Currency (₹inlacs) | Foreign Currency (in Millions) | Exchange Rate | Indian Currency (₹inlacs) |
| 31-03-2020 | - | - | - | 16.40283 USD<br>13.798134 EURO | 75.57<br>82.91 | 23834.48 |
| 31-03-2019 | 0.227024 USD | 69.155 | 157.00 | 6.459413 USD<br>3.098512 EURO | 69.155<br>77.733 | 6875.57 |
| 31-03-2018 | 0.255940 USD<br>2.174250 EURO | 65.17<br>80.174 | 1909.98 | 2.506316 USD<br>1.070496 EURO | 65.17<br>80.174 | 2491.58 |

**Sensitivity to Risk**

A change of 5% in foreign currency would have following Impact on profit before tax

**(Amount in ₹inlacs)**

| Particulars | As at 31st March 2020 | | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|---|---|
| | 5% Increase | 5% Decrease | 5% Increase | 5% Decrease | 5% Increase | 5% Decrease |
| USD | -619.74 | 619.74 | -215.50 | 215.50 | -73.33 | 73.33 |
| EURO | -571.98 | 571.98 | -120.43 | 120.43 | 44.25 | -44.25 |

**Interest Rate Risk**

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

**Liquidity Risk**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting

cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.
The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

Amount (in ₹)

| Particulars | Due in 1 Year | 1 Year - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|
| **As at 31st March, 2020** | | | | |
| Borrowings | 583159389 | 655501378 | 2732965020 | 3971625786 |
| Trade Payables | 957852888 | 10644336 | -- | 968497223 |
| Other Financial Liabilities | 100860764 | 76022584 | -- | 176883349 |
| **Total** | **1641873041** | **742168297** | **2732965020** | **5117006358** |
| **As at 31st March, 2019** | | | | |
| Borrowings | 529880644 | 567808975 | 1234136501 | 2331826120 |
| Trade Payables | 738037809 | 4348634 | -- | 742386443 |
| Other Financial Liabilities | 120247794 | 37059453 | -- | 157307246 |
| **Total** | **1388166247** | **609217061** | **1234136501** | **3231519809** |
| **As at 31st March, 2018** | | | | |
| Borrowings | 468214879 | 179166664 | 209476561 | 856858104 |
| Trade Payables | 637541692 | 4291927 | -- | 641833619 |
| Other Financial Liabilities | 156015880 | 37359066 | -- | 193374946 |
| **Total** | **1261772451** | **220817657** | **209476561** | **1692066669** |

**Credit Risk**
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade Receivables**
An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 4 and 8, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

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The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

Amount (in ₹)

| Particulars | Upto 1 Year | 1 Year - 3 Years | More Than 3 Years | Total |
|---|---|---|---|---|
| **As at 31st March,2020** | | | | |
| Loans to Employees | -- | 1038369 | -- | 1038369 |
| Trade Receivables | 611594075 | 23080878 | -- | 634674952 |
| Other Financial Assets | -- | -- | -- | 0 |
| **Total** | **611594075** | **24119247** | **--** | **635713321** |
| | | | | |
| **As at 31st March,2019** | | | | |
| Loans to Employees | -- | 966128 | -- | 966128 |
| Trade Receivables | 552052810 | 17187896 | -- | 569240706 |
| Other Financial Assets | 31618262 | -- | -- | 31618262 |
| **Total** | **583671072** | **18154024** | **--** | **601825096** |
| | | | | |
| **As at 31st March,2018** | | | | |
| Loans to Employees | -- | 2316780 | -- | 2316780 |
| Trade Receivables | 483244722 | 18508010 | -- | 501752732 |
| Other Financial Assets | 25000000 | -- | -- | 25000000 |
| **Total** | **508244722** | **20824790** | **--** | **529069512** |

**39.** The Previous year's figures have been regrouped, reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

**40.** Balances of Unsecured Loans, Trade Receivables, Payables and Loans and Advances are subject to Confirmation from respective parties.

**41.** Export Promotion Capital Goods (EPCG)
Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

**42. Operating Segment :**

a) Decorative Laminated Sheets
b) Medium Density Fiber Board
c) Polyvinyl Chloride Boards

**Identification of segments:**

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision aboutresource allocation andperformance assessment. Segment performance is evaluated based on profit or loss and is measured consistently withprofit or loss in the financial statements. Operating segment has been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

**Segment revenue and results:**

The expenses and income which are not directly attributable to any business segment are shown as un-allocable expenditure (net of allocableincome).

**Segment assets and Liabilities:**

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets.Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as un-allocable assets / liabilities.

**Inter segment transfer:**

Inter segment revenues are recognized at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

**Segment wise Revenue, Results and capital employed**

Primary business segments – Revenue by nature of products:

**Amount (in ₹)**

| Details | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|
| Decorative Laminated Sheets | 1539775022/-(*) | 1718138732/-(*) | 1668561726/-(*) |
| Medium Density Fiber Board | 1656547292/- | 1557051650/- | 1716545345/- |
| Polyvinyl Chloride Boards | 66889830/- (*) | 60976128/- | 4138520/- |
| **Total** | **3263212144/-** | **3336166510/-** | **3389245591/-** |

(*) Does not include trading Sales of₹ 8468257/- (FY 2018-19₹ 680935/-, FY 2017-18 ₹17671592/-)

Revenue by geographical regions

(i) Decorative Laminate Sheets

Amount (in ₹)

| Details | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|
| India | 515321183/- | 661072272/- | 693182755/- |
| Outside India | 1024453839/- | 1057066460/- | 975378971/- |
| **Total** | **1539775022/-** | **1718138732/-** | **1668561726/-** |

(*) Does not include Trading sales of₹4219646/- (FY 2018-19 ₹680935/-, FY 2017-18 ₹17671592/-)

(ii) Medium Density Fibre Board

Amount (in ₹)

| Details | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|
| India | 1648486770/- | 1555713699/- | 1716545345/- |
| Outside India | 8060522/- | 1337951/- | - |
| **Total** | **1656547292/-** | **1557051650/-** | **1716545345/-** |

(iii) Polyvinyl Chloride Boards

Amount (in ₹)

| Details | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|
| India | 66889830/- | 60976128/- | 4138520/- |
| Outside India | - | - | - |
| **Total** | **66889830/-** | **60976128/-** | **4138520/-** |

(*) Does not include Trading sales of₹4248611/- (FY 2018-19 ₹Nil, FY 2017-18 ₹Nil)

## RUSHIL DECOR LTD
## NOTES TO THE RESTATED IND AS FINANCIAL STATEMENTS

Segment wise Revenue (Gross), Results, Assets and Liabilities

Amount (in ₹)

| Sr. No. | Particulars | Year ended on 31.03.2020 | Year ended on 31.03.2019 | Year ended on 31.03.2018 |
|---|---|---|---|---|
| 1 | **Segment Revenue (Gross)** | | | |
| a | Laminates & allied products | 1633672286 | 1829338733 | 1813273115 |
| b | Particle Board | - | - | - |
| c | Medium Density Fiber Board | 1670696280 | 1564647735 | 1725201318 |
| d | Polyvinyl Chloride Boards` | 71195628 | 63814709 | 4138520 |
| e | Unallocated | - | - | - |
| | **Total** | **3375564194** | **3457801177** | **3542612953** |
| | Less: Inter segment revenue | 19583782 | 20380253 | 32855704 |
| | **Gross sales from Operations** | **3355980412** | **3437420924** | **3509757249** |
| 2 | **Segment Results** | | | |
| | Profit before Interest and Tax: | | | |
| a | Laminates & allied products | 161125175 | 194009717 | 218364427 |
| b | Particle Board | - | -523907 | -965561 |
| c | Medium Density Fiber Board | 183011077 | 163334329 | 326705957 |
| d | Polyvinyl Chloride Boards | -10734706 | -11069003 | -5486315 |
| e | Unallocated | - | 34149176 | - |
| | **Total** | **333401546** | **379900312** | **538618508** |
| | **Less:** | | | |
| i | Interest | 120443123 | 135904151 | 87023507 |
| ii | Other Unallocable expenditure | 15796013 | 14802215 | 21971043 |
| | **Add:** | | | |
| i | Unallocable income | - | - | - |
| | **Total Profit Before Tax and Other Comprehensive Income** | **197162410** | **229193946** | **429623958** |
| 3a | **Segment Assets** | | | |
| a | Laminates | 1685446020 | 1674982222 | 1604829565 |
| b | Particle Board | 73397225 | 73397225 | 71699598 |
| c | Medium Density Fiber Board | 1943431450 | 1589024006 | 1524453035 |
| d | Polyvinyl Chloride Boards` | 252526270 | 268147967 | 203543011 |
| e | Unallocated | 3903233760 | 2176550137 | 363881865 |
| | **Total Segment Assets** | **7858034725** | **5782101557** | **3768407074** |
| 3b | **Segment Liabilities** | | | |
| a | Laminates | 706923260 | 644247625 | 531669468 |
| b | Particle Board | 13109196 | 13428107 | 12322284 |
| c | Medium Density Fiber Board | 439346594 | 420001943 | 436982659 |
| d | Polyvinyl Chloride Boards` | 29811227 | 37840496 | 45259345 |
| e | Unallocated | 331257483 | 167636915 | 25346206 |
| | **Total Segment Liabilities** | **1520447760** | **1283155086** | **1051579962** |

**43. Related Party Disclosure as per Ind AS 24:**

**(a)** Names of related parties, and description of relationship,with whom transaction have taken place during the year:

(b)

| Sr. No. | Nature of Relationship | Name of Related Parties |
|---|---|---|
| 1 | Enterprises over which Key Managerial person is able to exercise significant influence | Rushil International – PartnershipFirm<br>Surya Panel Private Limited<br>VirStuddio Private Limited (OPC)<br>Ratnatej Infrastructure Private Limited<br>Ghanshyam Forwarder Private Limited |
| 2 | Key Managerial Person | Mr. Ghanshyam A. Thakkar - Whole Time Director<br>Mr. Krupesh G. Thakkar - Managing Director<br>Mr. Ramnik T. Kansagara – Executive Director (has been appointed dated 2nd February, 2019)<br>Mr. Kaushik J. Thakkar – Executive Director (has resigned dated 2nd February, 2019)<br>Mr. Shankar Prasad Bhagat – Non-Executive Director<br>Mr. Rohit B. Thakkar – Non-Executive Director<br>Mrs. Jingle Piyush Thakkar - Non-Executive Director(has resigned dated 21stNovember, 2019)<br>Miss Archee D. Thakkar - Non-Executive Director(has been appointed dated 11th November, 2019)<br>Mr. Keyur M. Gajjar - Chief Executive Officer<br>Mr. Vipul S. Vora – Chief Financial Officer<br>Mr. Hasmukh K. Modi – Company Secretary |
| 3 | Relative of Key Managerial Person | Ghanshyambhai A. Thakkar HUF<br>Krupeshbhai G. Thakkar HUF<br>Ambalal D. Thakkar HUF<br>Krupaben K. Thakkar<br>Dinuben G. Thakkar<br>Rushil K. Thakkar<br>Masumi K. Thakkar<br>Rushvi R. Thakkar<br>Harsh R. Patel<br>Mrunal K. Gajjar<br>Viresh N. Thakkar |

Note:- Related parties have been identified by the management.

PARIKH & MAJUMDAR CHARTERED ACCOUNTANTS M. No.040230 FRN No. 107525W

RUSHIL DECOR LTD

NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Year -->** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | **2018-19** | **2017-18** |
| **Volume of Transactions** | | | | | | | | | | | | |
| **1) Sales of Goods** | | | | | | | | | | | | |
| Surya Panel Private Limited | 3,49,96,230 | 4,54,99,557 | 2,75,29,568 | - | - | - | - | - | - | 3,49,96,230 | 4,54,99,557 | 2,75,29,568 |
| | | | | | | | | | | | | |
| **2) Jobwork Charges Paid** | | | | | | | | | | | | |
| Surya Panel Private Limited | 5,56,13,791 | 1,94,90,456 | 41,78,368 | - | - | - | - | - | - | 5,56,13,791 | 1,94,90,456 | 41,78,368 |
| | | | | | | | | | | | | |
| **3)Goods Purchased** | | | | | | | | | | | | |
| Rushil International | 18,59,197 | 1,38,86,135 | - | - | - | - | - | - | - | 18,59,197 | 1,38,86,135 | - |
| Surya Panel Private Limited | 39,08,091 | 52,29,087 | 11,50,318 | - | - | - | - | - | - | 39,08,091 | 52,29,087 | 11,50,318 |
| | | | | | | | | | | | | |
| **4) Director Sitting Fees** | | | | | | | | | | | | |
| Rohit B Thakkar | - | - | - | 20,000 | - | - | - | - | - | 20,000 | - | - |
| Shankar Prasad Bhagat | - | - | - | 20,000 | - | - | - | - | - | 20,000 | - | - |
| Jingle Piyush Thakkar | - | - | - | 15,000 | - | - | - | - | - | 15,000 | - | - |
| Archee D. Thakkar | - | - | - | 5,000 | - | - | - | - | - | 5,000 | - | - |
| | | | | | | | | | | | | |
| **5) Finance Charges** | | | | | | | | | | | | |
| Rushil International | - | 21,47,600 | - | - | - | 3,54,000 | - | - | - | - | 21,47,600 | 3,54,000 |

RUSHIL DECOR LTD

NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year --> | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 |
| 6) Loan Taken/Granted | | | | | | | | | | | | |
| (A) Loan Taken | | | | | | | | | | | | |
| i) Ghanshyambhai Thakkar-HUF | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | 58,31,749 | 2,47,377 | - | 58,31,749 | 2,47,377 |
| Loan repaid | - | - | - | - | - | - | 25,909 | 60,30,334 | 7,01,534 | 25,909 | 60,30,334 | 7,01,534 |
| Balance at 31stMarch | - | - | - | - | - | - | - | 25,909 | 2,24,494 | - | 25,909 | 2,24,494 |
| Balance at 1st April | - | - | - | - | - | - | 25,909 | 2,24,494 | 6,78,651 | 25,909 | 2,24,494 | 6,78,651 |
| ii) Ambalal D. Thakkar-HUF | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 6,143 | 1,57,647 | 57,762 | 6,143 | 1,57,647 | 57,762 |
| Loan repaid | - | - | - | - | - | - | - | 2,00,000 | 28,00,000 | - | 2,00,000 | 28,00,000 |
| Balance at 31stMarch | - | - | - | - | - | - | 68,017 | 61,874 | 1,04,227 | 68,017 | 61,874 | 1,04,227 |
| Balance at 1st April | - | - | - | - | - | - | 61,874 | 1,04,227 | 28,46,465 | 61,874 | 1,04,227 | 28,46,465 |
| iii) Krupeshbhai G. Thakkar-HUF | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 7,85,820 | 18,24,376 | 12,86,140 | 7,85,820 | 18,24,376 | 12,86,140 |
| Loan repaid | - | - | - | - | - | - | - | 21,10,000 | 24,14,500 | - | 21,10,000 | 24,14,500 |
| Balance at 31stMarch | - | - | - | - | - | - | 8,56,776 | 70,956 | 3,56,580 | 8,56,776 | 70,956 | 3,56,580 |
| Balance at 1st April | - | - | - | - | - | - | 70,956 | 3,56,580 | 14,84,940 | 70,956 | 3,56,580 | 14,84,940 |
| iv) Dinuben G. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 1,33,210 | 3,60,150 | 2,32,227 | 1,33,210 | 3,60,150 | 2,32,227 |
| Loan repaid | - | - | - | - | - | - | 40,865 | 4,04,961 | 17,49,642 | 40,865 | 4,04,961 | 17,49,642 |
| Balance at 31stMarch | - | - | - | - | - | - | 1,46,729 | 54,384 | 99,195 | 1,46,729 | 54,384 | 99,195 |
| Balance at 1st April | - | - | - | - | - | - | 54,384 | 99,195 | 16,16,610 | 54,384 | 99,195 | 16,16,610 |
| v) Krupaben K. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 78,25,635 | 3,78,523 | 5,19,763 | 78,25,635 | 3,78,523 | 5,19,763 |
| Loan repaid | - | - | - | - | - | - | 50,05,471 | 12,11,000 | 3,21,83,069 | 50,05,471 | 12,11,000 | 3,21,83,069 |
| Balance at 31stMarch | - | - | - | - | - | - | 29,40,471 | 1,20,307 | 9,52,784 | 29,40,471 | 1,20,307 | 9,52,784 |
| Balance at 1st April | - | - | - | - | - | - | 1,20,307 | 9,52,784 | 3,26,16,090 | 1,20,307 | 9,52,784 | 3,26,16,090 |
| vi) Rushil K. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 8,93,579 | 4,20,241 | 6,37,607 | 8,93,579 | 4,20,241 | 6,37,607 |
| Loan repaid | - | - | - | - | - | - | 1,59,561 | 5,32,262 | 8,61,650 | 1,59,561 | 5,32,262 | 8,61,650 |
| Balance at 31stMarch | - | - | - | - | - | - | 8,23,447 | 89,429 | 2,01,450 | 8,23,447 | 89,429 | 2,01,450 |
| Balance at 1st April | - | - | - | - | - | - | 89,429 | 2,01,450 | 4,25,493 | 89,429 | 2,01,450 | 4,25,493 |

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year --> | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 |
| vii) Mr. Krupesh G. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | 5,44,51,925 | 1,64,92,568 | 5,65,83,130 | - | - | - | 5,44,51,925 | 1,64,92,568 | 5,65,83,130 |
| Loan repaid | - | - | - | 1,43,74,865 | 88,18,194 | 5,59,48,176 | - | - | - | 1,43,74,865 | 88,18,194 | 5,59,48,176 |
| Balance at 31stMarch | - | - | - | 4,94,25,839 | 93,48,779 | 16,74,405 | - | - | - | 4,94,25,839 | 93,48,779 | 16,74,405 |
| Balance at 1st April | - | - | - | 93,48,779 | 16,74,405 | 10,39,450 | - | - | - | 93,48,779 | 16,74,405 | 10,39,450 |
| | | | | | | | | | | | | |
| viii) Mr. Ghanshyam A. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | 1,71,36,848 | 45,10,999 | 1,05,45,692 | - | - | - | 1,71,36,848 | 45,10,999 | 1,05,45,692 |
| Loan repaid | - | - | - | 34,37,471 | 55,62,034 | 90,90,666 | - | - | - | 34,37,471 | 55,62,034 | 90,90,666 |
| Balance at 31stMarch | - | - | - | 1,52,57,492 | 15,58,115 | 26,09,150 | - | - | - | 1,52,57,492 | 15,58,115 | 26,09,150 |
| Balance at 1st April | - | - | - | 15,58,115 | 26,09,150 | 11,54,124 | - | - | - | 15,58,115 | 26,09,150 | 11,54,124 |
| | | | | | | | | | | | | |
| ix) Mr. Kaushik J Thakkkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | 13,00,000 | 2,00,000 | - | - | - | - | 13,00,000 | 2,00,000 |
| Loan repaid | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at 31stMarch | - | - | - | 16,00,000 | 16,00,000 | 3,00,000 | - | - | - | 16,00,000 | 16,00,000 | 3,00,000 |
| Balance at 1st April | - | - | - | 16,00,000 | 3,00,000 | 1,00,000 | - | - | - | 16,00,000 | 3,00,000 | 1,00,000 |
| | | | | | | | | | | | | |
| x) Masumi K. Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | 1,85,215 | 43,49,870 | - | 1,85,215 | 43,49,870 |
| Loan repaid | - | - | - | - | - | - | - | 47,37,617 | - | - | 47,37,617 | - |
| Balance at 31stMarch | - | - | - | - | - | - | - | - | 45,52,402 | - | - | 45,52,402 |
| Balance at 1st April | - | - | - | - | - | - | - | 45,52,402 | 2,02,532 | - | 45,52,402 | 2,02,532 |
| | | | | | | | | | | | | |
| xi) Viresh Natvarlal Thakkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan repaid | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at 31stMarch | - | - | - | - | - | - | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 |
| Balance at 1st April | - | - | - | - | - | - | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 | 2,05,000 |
| | | | | | | | | | | | | |
| xii) Rushil International | | | | | | | | | | | | |
| Loan taken | 7,47,94,337 | 94,45,20,795 | - | - | - | - | - | - | - | 7,47,94,337 | 94,45,20,795 | - |
| Loan repaid | 7,47,94,337 | 40,85,20,795 | - | - | - | - | - | - | - | 7,47,94,337 | 40,85,20,795 | - |
| Balance at 31stMarch | 53,60,00,000 | 53,60,00,000 | - | - | - | - | - | - | - | 53,60,00,000 | 53,60,00,000 | - |
| Balance at 1st April | 53,60,00,000 | - | - | - | - | - | - | - | - | 53,60,00,000 | - | - |

**RUSHIL DECOR LTD**

**NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS**

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Year -->** | **2019-20** | **2018-19** | **2017-18** | **2019-20** | 2018-19 | **2017-18** | 2019-20 | 2018-19 | 2017-18 | **2019-20** | **2018-19** | 2017-18 |
| | | | | | | | | | | | | |
| xiii) Rushvi R. Thakkkar | | | | | | | | | | | | |
| Loan taken | - | - | - | - | - | - | 8,49,649 | - | - | 8,49,649 | - | - |
| Loan repaid | - | - | - | - | - | - | 1,50,000 | - | - | 1,50,000 | - | - |
| Balance at 31stMarch | - | - | - | - | - | - | 6,99,649 | - | - | 6,99,649 | - | - |
| Balance at 1st April | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| **7) Managerial Remuneration** | | | | | | | | | | | | |
| Mr. Ghanshyam A. Thakkar | - | - | - | 1,20,00,295 | 1,19,99,403 | 1,05,69,278 | - | - | - | 1,20,00,295 | 1,19,99,403 | 1,05,69,278 |
| Mr. Krupesh G. Thakkar | - | - | - | 1,20,00,698 | 1,19,99,806 | 1,05,58,679 | - | - | - | 1,20,00,698 | 1,19,99,806 | 1,05,58,679 |
| Mr. Kaushik J. Thakkar (Resigned dated 2nd February 2019) | - | - | - | - | 3,75,653 | 4,79,784 | - | - | - | - | 3,75,653 | 4,79,784 |
| Mr. Ramnik T. Kansagara | - | - | - | 23,06,395 | 20,15,693 | | - | - | - | 23,06,395 | 20,15,693 | - |
| | | | | | | | | | | | | |
| **8) Dividend Paid** | | | | | | | | | | | | |
| Mr. Ghanshyam A. Thakkar | - | - | - | 9,95,450 | 9,95,450 | 9,95,450 | - | - | - | 9,95,450 | 9,95,450 | 9,95,450 |
| Ghanshyambhai Thakkar HUF | - | - | - | - | - | - | - | 1,92,691 | 1,92,691 | - | 1,92,691 | 1,92,691 |
| Mr. Krupesh G. Thakkar | - | - | - | 9,67,181 | 7,71,242 | 7,71,242 | - | - | - | 9,67,181 | 7,71,242 | 7,71,242 |
| Krupeshbhai Thakkar HUF | - | - | - | - | - | - | 6,94,847 | 6,94,847 | 6,94,847 | 6,94,847 | 6,94,847 | 6,94,847 |
| Dinuben G. Thakkar | - | - | - | - | - | - | 1,23,258 | 1,23,258 | 1,23,258 | 1,23,258 | 1,23,258 | 1,23,258 |
| Krupaben K. Thakkar | - | - | - | - | - | - | 1,41,208 | 1,41,208 | 1,41,208 | 1,41,208 | 1,41,208 | 1,41,208 |
| Rushil K. Thakkar | - | - | - | - | - | - | 1,04,262 | 1,04,262 | 1,04,262 | 1,04,262 | 1,04,262 | 1,04,262 |
| Rushil International | 9,22,885 | 9,22,885 | 9,22,885 | - | - | - | - | - | - | 9,22,885 | 9,22,885 | 9,22,885 |
| Mrunal K. Gajjar | - | - | - | - | - | - | 2,000.0 | 2,000.0 | - | 2,000 | 2,000 | - |
| Hasmukh K. Modi | - | - | - | 0.5 | 0.5 | 0.5 | - | - | - | 0.5 | 0.5 | 0.5 |
| Rushvi R. Thakkar | - | - | - | - | - | - | - | 0.5 | - | - | 0.5 | - |
| | | | | | | | | | | | | |

RUSHIL DECOR LTD

NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year --> | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 |
| **9) Interest Expenses** | | | | | | | | | | | | |
| Ghanshyambhai Thakkar HUF | - | - | - | - | - | - | - | 28,788 | 60,762 | - | 28,788 | 60,762 |
| Mr. Krupesh G. Thakkar | - | - | - | 11,33,127 | 80,717 | 6,11,835 | - | - | | 11,33,127 | 80,717 | 6,11,835 |
| Krupeshbhai Thakkar HUF | - | - | - | - | - | | 51,081 | 32,810 | 45,881 | 51,081 | 32,810 | 45,881 |
| Dinuben G. Thakkar | - | - | - | - | - | | 9,708 | 13,213 | 54,410 | 9,708 | 13,213 | 54,410 |
| Ambalal D. Thakkar-HUF | - | - | - | - | - | | 6,825 | 8,496 | 64,180 | 6,825 | 8,496 | 64,180 |
| Krupaben K. Thakkar | - | - | - | - | - | | 52,899 | 63,684 | 4,20,617 | 52,899 | 63,684 | 4,20,617 |
| Rushil K. Thakkar | - | - | - | - | - | - | 37,403 | 17,755 | 65,939 | 37,403 | 17,755 | 65,939 |
| Mr. Ghanshyam A. Thakkar | - | - | - | 7,43,567 | 45,364 | 1,83,024 | - | - | - | 7,43,567 | 45,364 | 1,83,024 |
| Masumi K. Thakkar | - | - | - | - | - | - | - | 2,05,794 | 3,88,744 | - | 2,05,794 | 3,88,744 |
| Rushil International | 1,51,94,968 | 2,46,89,773 | - | - | - | - | - | - | - | 1,51,94,968 | 2,46,89,773 | - |
| | | | | | | | | | | | | |
| **10) Salary to Relatives of Key Management Personal & Director** | | | | | | | | | | | | |
| Krupaben K. Thakkar | - | - | - | - | - | - | 57,72,628 | 53,69,512 | 45,67,829 | 57,72,628 | 53,69,512 | 45,67,829 |
| Rushil K. Thakkar | - | - | - | - | - | - | 24,86,212 | 15,63,096 | 12,97,905 | 24,86,212 | 15,63,096 | 12,97,905 |
| Rushvi R. Thakkar | - | - | - | - | - | - | 14,12,855 | 9,25,725 | - | 14,12,855 | 9,25,725 | - |
| Harsh R. Patel | - | - | - | - | - | - | 5,08,867 | 4,68,274 | - | 5,08,867 | 4,68,274 | - |
| Masumi K. Thakkar | - | - | - | - | - | - | 43,487 | - | - | 43,487 | - | - |
| | | | | | | | | | | | | |
| **11) Salary to Key Management Personal** | | | | | | | | | | | | |
| Mr. Keyur M. Gajjar | - | - | - | 65,88,048 | 57,59,099 | 50,49,658 | - | - | - | 65,88,048 | 57,59,099 | 50,49,658 |
| Mr. Vipul S. Vora | - | - | - | 44,63,960 | 39,65,758 | 33,26,728 | - | - | - | 44,63,960 | 39,65,758 | 33,26,728 |
| Mr. Hashmukh K. Modi | - | - | - | 20,48,419 | 17,89,799 | 15,48,151 | - | - | - | 20,48,419 | 17,89,799 | 15,48,151 |
| | | | | | | | | | | | | |
| **12) Lease Rent Expense** | | | | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 1,20,000 | 1,20,000 | 1,20,000 | - | - | - | - | - | - | 1,20,000 | 1,20,000 | 1,20,000 |
| Mr. Krupesh G. Thakkar | - | - | - | 66,15,000 | 63,78,750 | 70,35,000 | - | - | - | 66,15,000 | 63,78,750 | 70,35,000 |
| Rushil K. Thakkar | - | - | - | 3,60,000 | - | - | - | - | - | 3,60,000 | - | - |

PARIKH & MAJUMDAR CHARTERED ACCOUNTANTS M. No. 040230 FRN No. 107525W

RUSHIL DECOR LTD

NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS

**Related Party Transactions for the Year Ended on 31.03.2020**

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year --> | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 |
| **13) Lease Rent Deposit** | | | | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | - | 70,00,000 | 32,00,000 | - | - | - | - | - | - | - | 70,00,000 | 32,00,000 |
| **14) Lease Rent Deposit Received Back** | | | | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 39,68,688 | - | - | - | - | - | - | - | - | 39,68,688 | - | - |
| **15) Interest Income on Lease Rent Deposit** | | | | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 7,58,149 | 3,20,658 | - | - | - | - | - | - | - | 7,58,149 | 3,20,658 | - |
| **16) Royalty paid** | | | | | | | | | | | | |
| Vir Studdio Private Limited (OPC) | 1,00,000 | 1,00,000 | 46,667 | - | - | - | - | - | - | 1,00,000 | 1,00,000 | - |
| **17) Sale of Fixed Asset** | | | | | | | | | | | | |
| Surya Panel Private Limited | 4,20,985 | - | - | - | - | - | - | - | - | 4,20,985 | - | - |
| **18) Freight/Demurrage Charges** | | | | | | | | | | | | |
| Ghanshyam Forwarders Pvt Ltd | - | - | 6,90,000 | - | - | - | - | - | - | - | - | 6,90,000 |
| Surya Panel Private Limited | - | - | 41,78,368 | - | - | - | - | - | - | - | - | 41,78,368 |
| Note : The remuneration of directors and other members of Key Management Personal during the year is short term benefits. | | | | | | | | | | | | |

RUSHIL DECOR LTD

NOTES TO THE RESTATED IND AS STANDALONE FINANCIAL STATEMENTS

Related Party Transactions for the Year Ended on 31.03.2020

Amount in ₹

| Nature of Transaction | Enterprises over which Key Managerial Person is able to exercise significant influence | | | Key Managerial Personnel | | | Relatives of Key Managerial Personnel & Director | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Year --> | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 | 2019-20 | 2018-19 | 2017-18 |
| (B) Outstandings | | | | | | | | | | | | |
| a) Payable (Trade Payables and Other Liabilities) | | | | | | | | | | | | |
| Rushil International | - | 1,38,86,135 | - | - | - | - | - | - | - | - | 1,38,86,135 | - |
| Vir Studdio Private Limited (OPC | - | - | 42,500 | - | - | - | - | - | - | - | - | 42,500 |
| Krupaben K. Thakkar | - | - | - | - | - | - | 2,50,799 | 3,85,562 | - | 2,50,799 | 3,85,562 | - |
| Rushil K Thakkar | - | - | - | - | - | - | 1,21,134 | 1,26,692 | - | 1,21,134 | 1,26,692 | - |
| Rushvi R Thakkar | - | - | - | - | - | - | 82,976 | 83,411 | - | 82,976 | 83,411 | - |
| Harsh R Patel | - | - | - | - | - | - | 20,147 | 36,363 | - | 20,147 | 36,363 | - |
| Mr. Keyur M. Gajjar | - | - | - | 3,23,423 | 4,39,650 | - | - | - | - | 3,23,423 | 4,39,650 | - |
| Mr. Vipul S. Vora | - | - | - | 3,22,757 | 2,27,899 | - | - | - | - | 3,22,757 | 2,27,899 | - |
| Mr. Hashmukh K. Modi | - | - | - | 1,28,092 | 1,32,910 | - | - | - | - | 1,28,092 | 1,32,910 | - |
| Mr. Ghanshyam A. Thakkar | - | - | - | 2,49,628 | 2,09,628 | - | - | - | - | 2,49,628 | 2,09,628 | - |
| Mr. Krupesh G. Thakkar | - | - | - | 1,87,659 | - | - | - | - | - | 1,87,659 | - | - |
| Mr. Ramnik T. Kansagara (appointed in 2nd February 2019) | - | - | - | 1,53,718 | 1,20,342 | - | - | - | - | 1,53,718 | 1,20,342 | - |
| | | | | | | | | | | | | |
| b) Receivable (Trade Receivables) | | | | | | | | | | | | |
| Surya Panel Private Limited | 51,29,450 | 2,41,01,932 | - | - | - | - | - | - | - | 51,29,450 | 2,41,01,932 | - |
| | | | | | | | | | | | | |
| Security Deposit (Lease Rent Deposit Receivable) | | | | | | | | | | | | |
| Ratnatej Infrastructure Private Limited | 62,31,312 | 1,02,00,000 | 32,00,000 | - | - | - | - | - | - | 62,31,312 | 1,02,00,000 | 32,00,000 |

PARIKH & MAJUMDAR CHARTERED ACCOUNTANTS M. No. 040230 FRN No. 107525W

**44.** In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.

**45. Disclosures Regarding Employee Benefits**

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

**Amount (in ₹)**

| Particulars | 2019-20 | 2018-19 | 2017-18 |
|---|---|---|---|
| Employers contribution to provident fund | 82,20,064/- | 72,45,924/- | 61,92,193/- |

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the

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CHARTERED ACCOUNTANTS

corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(iv) **Defined Benefit Cost**

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| | Amount (in ₹) | Amount (in ₹) | Amount (in ₹) |
| Current Service Cost | 45,54,747 | 39,08,510 | 60,40,210 |
| Interest Expense on Defined Benefit Obligation (DBO) | 12,24,826 | 9,42,762 | 797936 |
| **Defined Benefit Cost included in Profit and Loss** | | | |
| Remeasurements - Due to Financial Assumptions | 26,99,497 | (2,79,495) | 68,87,700 |
| Remeasurements - Due to Experience Assumptions | (194) | (12,16,487) | - |
| Remeasurements - Due to Experience Adjustments | 15,39,470 | 9,14,232 | (84,70,970) |
| Return on plan assets excluding amounts included in interest income | 1,56,856 | 67,144 | (1,08,346) |
| **Defined Benefit Cost included in Other Comprehensive Income** | 43,95,629 | (5,14,606) | (16,91,616) |
| **Total Defined Benefit Cost in Profit and Loss and OCI** | 1,01,75,202 | 43,36,666 | 51,46,530 |

(v) **Movement in Defined benefit liability:**

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| | Amount (in ₹) | Amount (in ₹) | Amount (in ₹) |
| Opening Defined Benefit Obligation | 1,80,57,647 | 1,37,20,981 | 1,15,74,451 |
| Interest Expense on Defined Benefit Obligation (DBO) | - | - | - |
| Current Service Cost | 57,79,573 | 48,51,272 | 68,38,146 |
| Total Remeasurements included in OCI | 43,95,629 | (5,14,606) | (16,91,616) |
| Less: Benefits paid | (12,05,828) | - | - |
| Less: Contributions to plan assets | - | - | (30,00,000) |
| **Closing benefit obligation** | **2,70,27,021** | **1,80,57,647** | **1,37,20,981** |
| Current Liabilities of Closing benefit obligation | 57,07,576 | 43,01,638 | 24,76,750 |
| Non-Current Liabilities of Closing benefit obligation | 2,13,19,445 | 1,37,56,009 | 1,12,44,231 |

(vi) **Sensitivity Analysis of Defined Benefit Obligation:**

Amount (in ₹)

| Under Base Scenario | | 2019-20 |
|---|---|---|
| (A) | Discount Rate Sensitivity | |
| | Increase by 0.5% | 3,89,27,513 |
| | (% change) | -3.17% |
| | Decrease by 0.5% | 4,15,58,216 |
| | (% change) | 3.38% |
| (B) | Salary Growth Rate Sensitivity | |
| | Increase by 0.5% | 4,12,13,729 |
| | (% change) | 2.52% |
| | Decrease by 0.5% | 3,92,06,933 |
| | (% change) | -2.47% |
| (C) | Withdrawal Rate (W.R.) Sensitivity | |
| | W.R. x 110% | 3,98,51,927 |
| | (% change) | -0.87% |
| | W.R. x 90% | 4,05,72,639 |
| | (% change) | 0.93% |

(vii) **Actuarial assumptions:**

Amount (in ₹)

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| Mortality Table : Indian Assured Lives Mortality (2006-08) Table | | | |
| Discount Rate (per annum) | 6.60% | 7.70% | 7.55% |
| Rate of escalation in salary (per annum) | 10.00% | 10.00% | 10.00% |
| Withdrawal rate | 15.00% p.a. at younger ages reducing to 10.00% p.a. % at older ages | 15.00% p.a. at younger ages reducing to 10.00% p.a. % at older ages | 2% at all ages |

(viii)The above details are certified by the actuary.

**46.** Corporate Social Responsibility contribution-

(a) Gross amount required to be spent by the company during the year**₹66,45,836/-** (FY 2018-19**₹63,28,724/-**, FY 2017-18 **₹40,59,899/-**)

(b) Amount spent during the year on:

| | Particulars | Year | Amount spent(₹) | Amount yet to be spent(₹) | Total(₹) |
|---|---|---|---|---|---|
| (i) | Construction/acquisition of any asset | 2019-20 | Nil | Nil | Nil |
| (ii) | On purposes other than (i) above | 2019-20 | 63,18,735/- | 3,27,101/- | 66,45,836/- |
| (i) | Construction/acquisition of any asset | 2018-19 | Nil | Nil | Nil |
| (ii) | On purposes other than (i) above | 2018-19 | 64,96,931/- | Nil | Nil |
| (i) | Construction/acquisition of any asset | 2017-18 | Nil | Nil | Nil |
| (ii) | On purposes other than (i) above | 2017-18 | 69,48,893/- | Nil | Nil |

**47.** On 27/09/2019due to the very heavy rain in Hyderabad, Company's godwonsituated at **G144 1/A, SEIE Kattedan, Rajendra Nagar, Rangareddy, Hyderabad, Telangana,** has got flooded with water. The company has lodged claim in respect of loss of stock. The stock Consists of Finished Goods. The said Claim is shown as Insurance Claim Receivable in Note No. 12 of notes forming part of the Standalone financial statements.

**48.** Inventories are as taken, valued and certified by the management.

**49.** During the year under review, the company has received an order u/s 281B of the IT Act, 1961 dated 09.05.2019 from the Joint Commissioner of Income Tax (OSD), Circle-3(1)(2), Ahmedabad and accordingly the company's unit situated at 607-608, GIDC, Mansa, Dist. Gandhinagar, Gujarat 382 845 has been provisionally attached u/s 281B of the Income Tax Act,1961. Company has filed rectification application dated 22.05.2019 for order u/s 154 of the IT Act 1961 for rectification of address of property and rectification of facts. Further Letter dated 07.11.2019 for extension of above order has been received by company dated 07.11.2019.Company has filed rectification application u/s 154 of the Income Tax Act 1961 on 02.01.2020.

**50.** Disclosure under Ind AS 115 Revenue

The Company has recognized the following amounts relating to revenue in the statement of profit or loss:

(Amount in ₹)

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| Revenue from contracts with customers | 3,27,16,80,401 | 3,33,68,47,445 | 3,40,69,17,183 |
| **Total revenue** | **3,27,16,80,401** | **3,33,68,47,445** | **3,40,69,17,183** |

Revenueis recognized upon transfer of control of products to customers.

(a) Disaggregation of revenue from contracts with customers

Revenuefrom sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹)

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| Revenue from | 3,27,16,80,401 | 3,33,68,47,445 | 3,40,69,17,183 |
| - Outside India | 2,23,91,66,040 | 2,27,84,43,034 | 2,43,15,38,212 |
| - In India | 1,03,25,14,361 | 1,05,84,04,411 | 97,53,78,971 |

No single customer contributed 10% or more to the company's revenue for 2019-20 and 2018-19.

All assets are located in the Company's country of Domicile.

(b) Contract assets and liabilities

(Amount in ₹)

| Particulars | For the year ended 31st March 2020 | For the year ended 31st March 2019 | For the year ended 31st March 2018 |
|---|---|---|---|
| Contract Assets | 63,46,74,952 | 56,92,40,706 | 50,17,52,732 |
| Total Contract Assets | **63,46,74,952** | **56,92,40,706** | **50,17,52,732** |
| Contract Liability | 2,67,23,991 | 1,28,39,851 | 1,62,59,453 |
| Total Contract Liability | **2,67,23,991** | **1,28,39,851** | **1,62,59,453** |

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

**51. Deferred Tax Assets/(Liability)**

The breakup of Deferred Tax as at 31.03.2020 is as under.

(Amount in₹)

| Particulars | Amount (As on 31st March 2020) | Amount (As on 31st March 2019) | Amount (As on 31st March 2018) |
|---|---|---|---|
| **Deferred Tax Liabilities.** | | | |
| - Timing Difference of Depreciation (Deferred tax liability) | 19,55,19,933 | 26,53,83,029 | 24,40,70,871 |
| - Capital gain on land revaluation (Deferred Tax Liability) | 4,61,31,151 | 4,82,34,075 | 4,45,21,677 |
| **Deferred Tax Assets.** | | | |
| - Gratuity Payment (Deferred Tax Assets) | 67,56,058 | 62,63,962 | 47,48,557 |
| **Net Deferred Tax Liability** | **23,48,95,026** | **30,73,53,142** | **28,38,43,991** |

**52.** During the year 2018-19, the company had issued 190372 equity share of ₹10 each at a premium of ₹935/- each on preferential basis to Mr. Rakesh Arora ( No of shares 105822) and Mr. Manish Srivastava (No of Shares 84550) on 28th April 2018. The company has received share application money from Mr. Manish Srivastava who based in Singapore. Mr. Manish Srivastava has given Share application money of ₹7,99,00,000/-, while remitting the fund, in the FIRC (Foreign Inward Remittance Certificate), but due to technical error there was a mistake in filing form with authority, by mistake it was written as Repayment of loan instead of Share application money and hence the same requires correction from the remitting bank of Mr. Manish Srivastava. Mr. Manish Srivastava was allotted 84550 equity shares of ₹10 each at premium of ₹935 making total allotment including premium of ₹7,98,99,750/- and hence there was a surplus of ₹250/- which the company has asked their banker to refund the said amount to Mr. Manish Srivastava but because of non-compliance of submitting Form FC-GPR to be filed by collecting bank i.e. Axis Bank with Reserve Bank of India, this amount could not be refunded. In spite of repeated reminder to the shareholder Mr. Manish Srivastava, has not got its FIRC Corrected and hence due to the technical difficulty faced by the company and due to no fault on the part of the company the said Share application money to the extent refundable is not treated as Violation of Section 73 of the Companies Act,2013. Till the date of signing the audit report the said Share application Money of ₹250/- is lying with Axis Bank as non-refunded to shareholder. Thus company has shown ₹250/- as share application money (Refundable) under the head "Other Financial Liabilities" in note No 22 of Notes forming part of Standalone financial statement.

**53.** The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slow down of economic activity, COVID 19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March, 2020 and thereafter. The management of the Company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results In assessing the recoverability of Trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that the carrying amounts of Trade receivables and inventories are expected to be realisable to the extent shown in the financial results The impact of COVID-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor the development.

**54.** The Company has elected to exercise the option permitted u/s 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2020.

**- :Significant accounting policies – A : -**
**- : Notes To Financial Statements 1 to 54 : -**

**For Parikh &Majmudar**
**Chartered Accountants**
Firm Reg. No. 107525W

[C.A.(Dr)Hiten M. Parikh]
Partner
M. No. 040230
UDIN : 20040230AAAAGT8906

**For and on behalf of the Board**
**Rushil Décor Limited**

[Ghanshyambhai A. Thakkar]
Chairman
DIN:00208843

[KrupeshbhaiG.Thakkar]
Managing Director
DIN:01059666

**Place: Ahmedabad**
**Date: 8th August, 2020**

[ K. M. Gajjar ]
Chief Executive Officer

[ V. S. Vora ]
Chief Financial Officer

[ H. K. Modi ]
CompanySecretary

**Annexure-VI**

**Restated Statement of Accounting Ratios**

| Sr No | Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
|---|---|---|---|---|
| A | Restated Networth attributable to Equity Shareholders (in Rs) | 2095504040 | 1870717801 | 1536474164 |
| B | Restated Net Profit after Tax (in Rs) | 230497159 | 143349634 | 309241481 |
| | Weighted Average number of Equity shares outstanding during the year | | | |
| C | For Basic Earning per share | 14931332 | 14910232 | 14542108 |
| D | For Diluted Earning per share | 14931332 | 14910232 | 14542108 |
| E | Number of shares outstanding at the end of the year | 14931332 | 14931332 | 14717460 |
| F | Restated Basic Earnings per share (in Rs) (B/C) | 15.44 | 9.61 | 21.27 |
| G | Restated Diluted Earnings per share (in Rs) (B/D) | 15.44 | 9.61 | 21.27 |
| H | Return on Restated Networth (%)(B/A) | 11.00% | 7.66% | 20.13% |
| I | Restated Net Assets value per share (in Rs) (A/E) | 140.34 | 125.29 | 104.40 |
| J | Restated Earnings Before Interest Tax Depreciation and Amortization (EBITDA) in Rs | 404499179 | 451389256 | 591940921 |
| K | Face Value per share (in Rs) | 10 | 10 | 10 |

**Annexure VII - Restated Statement of Capitalisation**

Amount in Rs

| Sr No | Particulars | Pre Issue as at 31st March, 2020 | As adjusted for Reissue |
|---|---|---|---|
| | **Borrowings:** | | |
| | Current borrowings | 583159389 | |
| A | Non-current borrowings (including current maturities Rs 80731998) | 3469198395 | |
| B | **Total borrowings** | 4052357784 | |
| | | | |
| | Equity share capital | 149313320 | |
| | Other equity | 2134689861 | |
| C | **Total equity** | 2284003181 | |
| | Non-current borrowings (including current maturities)/ Total equity (A/C) | 1.52 | |
| | Total borrowings / Total equity (B/C) | 1.77 | |

Notes:

1. The amounts disclosed above are based on the Restated Financial Information of the company

Annexure VIII

## STATEMENT OF TAX SHELTER

(in Rupees)

| Sr No | Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|---|---|---|---|---|
| A | **Accounting Restated Profit before Tax** | 197162410 | 229193946 | 429623958 |
| B | **Tax Rate** | 25.168% | 34.944% | 34.608% |
| C | Tax at actual rate on book profits | 49621835 | 80089533 | 148684259 |
| | Adjustments: | | | |
| I | **Timing Differences** | | | |
| 1 | Difference between Book Depreciation and Tax Depreciation | -16692272 | -54091247 | -44459696 |
| 2 | Exp debited in profit and loss a/c for accounting purpose but allowed for tax purpose in subsequent years i.e in the year in which paid-Gratuity Expenses. | 8804835 | 4243526 | 4849372 |
| 3 | Gratuity paid during the year | -1205828 | -355665 | -3214481 |
| 4 | Other disallowance | 4731595 | 314160 | -1691616 |
| | | | | |
| | Sub total of Timing Difference-[I] | -4361670 | -49889226 | -44516421 |
| II | **Permanent Differences** | | | |
| 1 | CSR Expenses disallowance | 6308735 | 6496931 | 6948893 |
| 2 | Penalty Disallowance | 246060 | 31474 | 897720 |
| 3 | Borrowing cost capitalisation (ICDS-IX) | 550000 | 550000 | 550000 |
| 4 | Equity Enhancement expense | | | 503001 |
| 5 | Donation disallowed | | 480266 | 285900 |
| 6 | Loss on sales of fixed assets | | | 61075 |
| | Sub total of Permanent Difference-[II] | 7104795 | 7558671 | 9246589 |
| D | Net Adjustments- I + II = [D] | 2743125 | -42330555 | -35269832 |
| E | Tax on Adjustments [D X B] | 690390 | -14791989 | -12206183 |
| F | Interest Expense u/s 234B & 234C of Income Tax Act-1961 | 3587774 | 302457 | 1672598 |
| G | Mat Credit Entitlement | | | 33050673 |
| H | Total Current Tax (C+E+F-G) | 53900000 | 65600000 | 105100000 |
| I | Current Tax expense relating to prior years | -13670341 | 267735 | 0 |
| J | Total Deferred Tax charge (credit) for the period | -73564408 | 19976577 | 15282477 |
| K | Tax for the period (H+I+J) | -33334749 | 85844312 | 120382477 |

L As per Restated Statement of Profit & loss

| | | | | |
|---|---|---|---|---|
| | Current Tax | 53900000 | 65600000 | 105100000 |
| | Current Tax expense relating to prior years | -13670341 | 267735 | 0 |
| | Deferred Tax charge (credit) | -73564408 | 19976577 | 15282477 |
| | Total Tax Expense as per Restated Statement of Profit and Loss | -33334749 | 85844312 | 120382477 |

**Notes:**

1 The permanent and timing differences for the year ended March 31, 20120, 2019 and 2018 have been computed based on the tax computations of Income tax returns of the respective years

2 Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

**Annexure-IX** **Restated Standalone Statement of Dividend Paid**

| PARTICULARS | For the year ending 31st March, 2020 | For the year ending 31st March, 2019 | For the year ending 31st March, 2018 |
|---|---|---|---|
| Number of equity shares | 14931332 | 14931332 | 14717460 |
| Face value (Rs.) | 10 | 10 | 10 |
| Dividend per equity share (in Rs.) | 0.5 | 0.5 | 0.5 |
| Rate of dividend | 5% | 5% | 5% |
| Dividend tax rate | 20.55% | 20.55% | 20.36% |
| Total dividend (in Rs.) * | 7465666 | 7465666 | 7253333 |

* paid during the respective financial year

Annexure- X

**Material Frauds**

| Particulars | For the year ended 31st March,2020 (in Rs) | For the year ended 31st March,2019 (in Rs) | For the year ended 31st March,2018 (in Rs) |
|---|---|---|---|
| There is no material fraud in respective financial years | NIL | NIL | NIL |
| | | | |
| Total | Nil | Nil | Nil |

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

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information as of and for the Fiscals 2020, 2019 and 2018 all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 171. Unless otherwise stated, the financial information used in this chapter is derived from the restated financial statements of our Company.*

*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 the sections titled "Risk Factors" and "Forward- Looking Statements" on pages 28 and 16 respectively.*

*Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Rushil Décor Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.*

### OVERVIEW OF OUR BUSINESS

Rushil Décor Limited commenced operations in 1993 under the name and style of well-known product brand 'VIR laminate'. Our Company is a flagship company of the Rushil Group. Our Company was incorporated in the year 1993 and is engaged into manufacturing of Decorative Laminated Sheets, MDF and PVC with a network of branches, dealers, clearing &forwarding agents and consignment agents across India.

Our Company is engaged into manufacturing of Laminates, MDF and PVC using facilities strategically located at Gujarat, Karnataka and Andhra Pradesh. Our Company manufactures decorative (single sided) as well as industrial (double sided) Laminates with a wide range of designs, colours and finishing in three of its manufacturing plants located at Gujarat having aggregate Laminate capacity of 34.9 lakh sheets per annum. Our Company also manufactures standard thick MDF Boards and Pre Lam MDF Boards with thickness ranging from 7.5 mm to 30 mm at its plant located at Chikmagalur, Karnataka with an installed capacity of 300 CBM per day or 90000 CBM per annum. Keeping in view the increasing demand of MDF products in the market, our Company has recently set up an additional manufacturing unit in Andhra Pradesh for manufacturing thin and thick MDF. In the proposed manufacturing facility, our Company will be able to manufacture MDF products in different sizes and dimensions, which will enable us to enter into a niche segment of the market. Our Company has an in-house design team which is responsible for creating new designs for our products as per the market demand.

Our Company has a brand presence and our brands "VIR Laminates", "VIR MDF" and "VIR PVC" are recognised and respected in the industry. Our Company has created a nation wide network of marketing offices, branches, depots, consignment agents and dealers across the country for marketing and distribution of Laminates, MDF and PVC.

We have received ISO 9001:2015, ISO 14001:2015 and ISO 45001: 2018 issued by the technical director, Alcumus ISOQAR certifying that the management system of our Company has been approved by Alcumus ISOQAR and are in line with the said standards. We have received certifications from the Bureau of Indian Standers certifying the quality standards of our resin bonded laminated sheets and our pre-laminated medium density fibre board.

We have an experienced professional management team under the overall stewardship of Mr. Krupesh Ghanshyambhai Thakkar, one of the Promoters and Managing Director who has an experience of more than 25 years in laminate and wood-based industry. He has been awarded with several accolades including, the "Rajiv Gandhi Shiromani Award" and the "Indira Gandhi Sadbhavana Award" for his pioneering work and contribution to the nation. Our Promoter, Ghanshyambhai Ambalal Thakkar who is also the Chairman and Whole-time Director of the Company has an experience of more than 40 years in the laminate and wood-based industry. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology.

In the year 2010 our Company made its maiden public issue of 56,43,750 Equity Shares at issue price of ₹ 72/- per Equity Shares aggregating to ₹ 175.50 lakhs and consequently the Equity Shares were listed on BSE and NSE. The market capitalization (full float) of our Company as on June 30, 2020 was ₹ 10,504 lakhs and ₹ 10,855 lakhs on BSE and NSE respectively.

**SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "*Risk Factors*" on page 28. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect the operations of our manufacturing units;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- our ability to maintain and enhance our brand image;
- our ability to successfully execute our expansion strategy in a timely manner or at all;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Promoters, promoter group and Group Companies and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

**SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "*Financial Information*" on 171.

**CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter "*Financial Information*" on page 171, there has been no change in accounting policies in last 3 years.

**RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

For details, see section titled "*Financial Information*" on page 171.

***Principal components of our statement of profit and loss account Revenue***

The following descriptions set forth information with respect to the key components of the Restated Financial Statements.

**Total income**

Our revenue comprises of:

*Revenue from operations*

Our revenue from operations consists of sale of products (excluding goods and services tax, including excise duty) and other operating revenue. Sale of products (including excise duty) primarily consists of sale of Decorative Laminate sheets, Medium Density Fiber Boards and Polyvinyl Chloride Boards which are either manufactured or traded by us

*Other Income*

Other income primarily comprises recurring income which includes interest income on fixed deposits placed with banks and financial institutions, as well as, certain non-recurring income such as profit on sale of fixed assets, gain on foreign currency transactions and miscellaneous income.

*Expenses*

Our expenses primarily comprise cost of material consumed, purchase of stock in trade, changes in inventories of stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

*Purchase of stock-in-trade*

The purchase of stock-in-trade comprises of purchase of Melamine, Methanol, PVC sheet and PVC foil and PVC Film.

*Changes in inventories of stock-in-trade*

Changes in inventories of stock-in-trade comprises of difference in closing balance vis-a-vis opening balance of stock in trade.

*Employee benefit expenses*

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds, share based payment to employees and staff welfare & training expenses.

*Other expenses*

Other expenses comprises of rent expense, commission & brokerage, royalty on sales, advertisement & publicity, contract labour charges, warehouse charges, repair & maintenance expenses, freight, insurance & clearing charge and miscellaneous expenses.

*Finance cost*

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans, interest on income tax, TDS and lease liabilities. Other finance costs consists of bank commission, credit rating expense, letter of credit charges, interest on buyer's credit, interest on MSME outstanding, interest on deposits from franchisee, interest on vendor bill discounting, interest on receivable financing,

loan processing charges, commission on corporate guarantee, loan repayment charges, premium paid on forward cover and term loan renewal charges.

*Depreciation and Amortisation Expense*

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

*Tax expenses*

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

**Results of our Operations**

The following table sets forth certain information with respect to our results of operations for the periods indicated:

*(Amount in ₹)*

| **Particular** | **2020** | **Percentage of total income (%)** | **2019** | **Percentage of total income (%)** | **2018** | **Percentage of total income (%)** |
|---|---|---|---|---|---|---|
| **INCOME** | | | | | | |
| Revenue from Operations | 3,35,59,80,412 | 98.96% | 3,43,74,20,924 | 97.59% | 3,50,97,57,249 | 99.23% |
| Other Income | 3,53,58,314 | 1.04% | 8,49,02,299 | 2.41% | 2,70,67,802 | 0.77% |
| **Total Income (A)** | **3,39,13,38,726** | **100.00%** | **3,52,23,23,223** | **100.00%** | **3,53,68,25,051** | **100.00%** |
| **EXPENDITURE** | | | | | | |
| Cost of materials consumed | 1,73,09,43,597 | 51.04% | 1,93,37,07,755 | 54.90% | 1,89,63,08,560 | 53.62% |
| Purchases of Stock-in-Trade | 1,35,36,052 | | 6,11,113 | | 1,55,10,713 | |
| Changes in inventories of finished goods, work in process and stock in trade | 25,59,257 | 0.08% | (1,68,15,206) | (0.48%) | (10,32,37,753) | -2.92% |
| Excise Duty | - | 0.00% | - | 0.00% | 7,45,64,991 | 2.11% |
| Employee benefit expenses | 29,31,55,456 | 8.64% | 25,62,23,170 | 7.27% | 20,97,93,520 | 5.93% |
| Finance costs | 12,04,43,123 | 3.55% | 13,59,04,151 | 3.86% | 8,70,23,507 | 2.46% |
| Depreciation and amortisation expense | 8,68,93,646 | 2.56% | 8,62,91,158 | 2.45% | 7,52,93,456 | 2.13% |
| Other Expenses | 94,66,45,185 | 27.91% | 89,72,07,136 | 25.47% | 85,19,44,099 | 24.09% |
| **Total Expenses (B)** | **3,19,41,76,316** | **93.79%** | **3,29,31,29,277** | **93.48%** | **3,10,72,01,093** | **87.85%** |
| **Profit before extraordinary items and tax** | **19,71,62,410** | **5.81%** | **22,91,93,946** | **6.51%** | **42,96,23,958** | **12.15%** |
| **Profit before exceptional, extraordinary items and tax (A-B)** | **19,71,62,410** | **5.81%** | **22,91,93,946** | **6.51%** | **42,96,23,958** | **12.15%** |
| Exceptional items | - | 0.00% | - | 0.00% | 2,619 | 0.00% |
| **Profit before extraordinary items and tax** | **19,71,62,410** | **5.81%** | **22,91,93,946** | **6.51%** | **42,96,21,339** | **12.15%** |
| Extraordinary items | - | 0.00% | - | 0.00% | - | 0.00% |
| **Profit before tax** | **19,71,62,410** | **5.81%** | **22,91,93,946** | **6.51%** | **42,96,21,339** | **12.15%** |
| Tax expense: | | | | | | |
| (i) Current tax | 5,39,00,000 | 1.59% | 6,56,00,000 | 1.86% | 10,51,00,000 | 2.97% |
| (ii) Deferred tax | (7,35,64,408) | (2.17%) | 1,99,76,577 | 0.57% | 1,52,82,477 | 0.43% |

| Particular | 2020 | Percentage of total income (%) | 2019 | Percentage of total income (%) | 2018 | Percentage of total income (%) |
|---|---|---|---|---|---|---|
| (iii) MAT Credit | - | 0.00% | - | 0.00% | - | 0.00% |
| (iv)(Current Tax expense relating to prior years | (1,36,70,341) | (0.40%) | 2,67,735 | 0.01% | - | 0.00% |
| **Total Tax Expense** | **(3,33,34,749)** | **(0.98%)** | **8,58,44,312** | **2.44%** | **12,03,82,477** | **3.40%** |
| **Profit for the year (D-E)** | **23,04,97,159** | **6.80%** | **14,33,49,634** | **4.07%** | **30,92,38,862** | **8.74%** |
| **Other Comprehensive Income** | | | | | | |
| | | | | | | |
| Items that will not be reclassified to profit or loss | 43,95,629 | 0.13% | (5,14,606) | -0.01% | (16,91,616) | (0.05%) |
| Income tax relating to items that will not be reclassified to profit or loss | (11,06,292) | (0.03%) | 1,79,824 | 0.01% | 5,65,802 | 0.02% |
| **Total comprehensive income for the year** | **32,89,337** | **0.10%** | **(3,34,782)** | **(0.01%)** | **(11,25,814)** | **-0.03%** |
| | | | | | | |
| **Restated total comprehensive income** | **23,37,86,496** | **6.89%** | **14,30,14,852** | **4.06%** | **30,81,13,048** | **8.71%** |

**Comparison of Historical Results of Operations**

**Fiscal 2020 compared to Fiscal 2019**

***Total Revenue***

Our total revenue for the Fiscal 2020 was ₹ 3,39,13,38,726 as compared to ₹ 3,52,23,23,223 for the Fiscal 2019, representing decrease of (3.72)%. Total revenue comprises of:

*Revenue from operations*

Our revenue from operations for the Fiscal 2020 was ₹ 3,35,59,80,412 as compared to ₹ 3,43,74,20,924 for the Fiscal 2019, representing decrease of (2.37 %). In Decorative Laminate sheets sales for the Fiscal 2020 was ₹ 1,62,81,85,107 and for the Fiscal 2019 ₹ 1,81,93,93,146, representing decrease of (10.51%). In Medium Density Fibre Boards sales for the Fiscal 2020 was ₹ 1,65,66,56,864 and for the Fiscal 2019 ₹ 1,55,70,51,650 representing an increase of 6.39%. In Polyvinayl Chloride Boards sales for the Fiscal 2020 was ₹ 7,11,38,441 for the Fiscal 2019 ₹ 6,09,76,128 representing an increase of 16.67%.

*Other income*

Other income for the Fiscal 2020 was ₹ 3,53,58,314 as compared to ₹ 8,49,02,299 for the Fiscal 2019, representing decrease of (58.35%). The major reason for decrease in other income was primarily due to foreign exchange fluctuation gain for the Fiscal 2020 was ₹ 1,26,41,909 as compare to the Fiscal 2019 ₹ 5,05,28,983 which include foreign exchange fluctuation gain of ₹ 3,41,49,176 in respect of long term borrowing for setting up of new Medium Density Fibre (MDF) boards Plant in Andhra Pradesh , representing decrease of (74.98%) and Interest income for the Fiscal 2020 was ₹ 81,64,208 as compare to the Fiscal 2019 ₹ 2,78,43,519, representing decrease of (70.68%). In Fiscal 2020 Keyman policy maturity was ₹ 52,51,200 as compared to ₹ Nil for the Fiscal 2019, representing an increase.

***Expenses***

Our total expenditure for the Fiscal 2020 was ₹ 3,19,41,76,316 as compared to ₹ 3,29,31,29,277 for the Fiscal 2019, representing an decrease of (3.00%). Total expenditure comprises of:

*Cost of materials consumed*

The Cost of materials consumed for the Fiscal 2020 was ₹ 1,73,09,43,597 as compared to ₹ 1,93,37,07,755 for the Fiscal 2019 representing an decrease of (10.49)%. The change was mainly due to decrease in chemical price i.e. Phenol, Melamine and Methanol in Decorative Laminate sheet division for the Fiscal 2020 as compared to the Fiscal 2019. In Medium Density Fibre Board division rate of Wood and Resin decrease for the Fiscal 2020 as compared to the Fiscal 2019.

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

*Purchase of Stock-in-trade*

The purchase of stock-in-trade for the Fiscal 2020 was ₹ 1,35,36,052 as compared to ₹ 6,11,113 for the Fiscal 2019, representing an increase of 2114.98%.This increase was due to higher side of trading sales for the Fiscal 2020 as compare to the Fiscal 2020.

*Changes in Inventories of Stock-in-Trade*

The changes in inventories of Finished goods, stock-in-trade and Work in progress for the Fiscal 2020 was ₹ 25,59,257 as compared to ₹ (1,68,15,206) for the Fiscal 2019, primarily due to increase of Finished goods by ₹ 1,80,19,776 and decrease of Work in progress by ₹ 2,05,79,033 so net changes of inventories was ₹ 25,59,257.

*Employee benefit expenses*

Employee benefit expense for the Fiscal 2020 was ₹ 29,31,55,456 as compared to ₹ 25,62,23,170 for the Fiscal 2019, representing an increase of 14.41%. This was due to increment in salaries, wages and bonus.

*Other expenses*

Other expenses for the Fiscal 2020 was ₹ 94,66,45,185 as compared to ₹ 89,72,07,136 for the Fiscal 2019, representing an increase of 5.51%. The increase was mainly due to increase in consumption of Stores and Spares, Power and fuel, Insurance expenses and Advertisement expenses. Store and Spare consumption for the Fiscal 2020 was ₹ 6,57,86,730 as compared to the Fiscal ₹ 5,57,65,897 representing an increase by 17.96% mainly due to wear and tear. Power and fuel consumption for the Fiscal 2020 was ₹ 28,05,31,996 as compared to the Fiscal ₹ 26,83,74,519 representing an increase by 4.53% mainly due to increase in price of imported coal in Decorative Laminate Division and increase of electric burning is due to increase in production of Medium Density Fibre Board. Advertisement expenses for the Fiscal 2020 was ₹ 2,40,05,914 as compared to the Fiscal 2019 ₹ 35,38,537, representing increase by 578% mainly due to there was no TV advertisement in Fiscal 2019 as against we have done TV advertisement in Fiscal 2020. Insurance expenses for the Fiscal 2020 was ₹ 77,64,366 as compared to the Fiscal 2019 ₹ 58,06,571, representing increase by 33.71% mainly due to increase in premium amount and also we have taken group medical policy for employees.

*Finance cost*

Finance cost for the Fiscal 2020 was ₹ 12,04,43,123 as compared to ₹ 13,59,04,151 for the Fiscal 2019, representing an decrease of (11.38) %. The decrease in finance cost is due to decrease in Interest to Unsecured loan to the Fiscal 2020 ₹ 59,55,870 as compared to the Fiscal 2019 was ₹ 2,35,55,425 representing a decreasing (74.72%).

*Depreciation and Amortisation Expense*

Depreciation and amortization expense for the Fiscal 2020 was ₹ 8,68,93,646 as compared to ₹ 8,62,91,158 for the Fiscal 2019, representing an increase of 0.70%. The increase is due to increase in capital expenditure.

*Restated Profit/Loss before Tax*

The restated profit/(loss) before tax for the Fiscal 2020 of ₹19,71,62,410 as compared to ₹22,91,93,946 for the Fiscal 2019. The decrease in restated profit/loss before tax is due to decrease in foreign exchange fluctuation gain for the

Fiscal 2020 was ₹ 1,26,41,909 as compared to the Fiscal 2019 ₹ 5,05,28,983 which include foreign exchange fluctuation gain of ₹ 3,41,49,176 in respect of long term borrowing for setting up of new Medium Density Fibre (MDF) boards Plant in Andhra Pradesh , representing an decrease of (74.98%)

*Taxation*

Total tax expense for the Fiscal 2020 was ₹ (3,33,34,749) as compared to ₹ 8,58,44,312 for the Fiscal 2019, representing a decrease of (138.38%). The decrease due to changes in current tax for the Fiscal 2020 was ₹ 4,02,29,659 as compared to ₹ 6,58,67,735 for the Fiscal 2019 representing decrease (38.92%). In current tax including Excess provision of earlier year ₹ 1,36,70,341 which is deducted from the Fiscal 2020 as compared to Fiscal 2019 short provision of earlier year ₹ 2,67,735 which is added in current tax so current tax decrease in the Fiscal 2020. As per tax ordinance tax rate in the Fiscal 2020 was 22% as compared to the Fiscal 2019 was 30%. The decrease was due to deferred tax for the Fiscal 2020 ₹ (7,35,64,408) as compared to ₹ 1,99,76,577 for the Fiscal 2019.

*Restated Profit/Loss after Tax*

As a result of the aforesaid, Our Company earned a profit for the year on a restated basis for the Fiscal 2020 of ₹ 23,04,97,159 as compared to ₹14,33,49,634 for the Fiscal 2019, representing an increase of 60.79%. The increase was due to total tax expense for the Fiscal 2020 was ₹ (3,33,34,749) as compared to ₹ 8,58,44,312 for the Fiscal 2019, representing a decrease of (138.38%)

**Fiscal 2019 compared to Fiscal 2018**

***Total Revenue***

Our total revenue for the Fiscal 2019 was ₹ 3,52,23,23,223 as compared to ₹ 3,53,68,25,051 for the Fiscal 2018, representing an decrease of (0.41%). Total revenue comprises of:

*Revenue from operations*

Our revenue from operations for the Fiscal 2019 was ₹ 3,43,74,20,924 as compared to ₹ 3,50,97,57,249 for the Fiscal 2018, representing an decrease of (2.06%). In Decorative Laminate sheets sales for the Fiscal 2019 was ₹ 1,81,93,93,146 for the Fiscal 2018 ₹ 1,78,90,73,384 including excise duty, representing an increase of 1.69%. In Medium Density Fibre Boards sales for the Fiscal 2019 was ₹ 1,55,70,51,650 for the Fiscal 2018 ₹ 1,71,65,45,344 including excise duty, representing decrease of (9.29%). In Polyvinayl Chloride Boards sales for the Fiscal 2019 was ₹ 6,09,76,128 for the Fiscal 2018 ₹ 41,38,521 including excise duty, representing an increase of 1373.38%.

*Other income*

Other income for the Fiscal 2019 was ₹ 8,49,02,299 as compared to ₹ 2,70,67,802 for the Fiscal 2018, representing an increase of 213.67%. The major reason for increase in other income was primarily due to foreign exchange fluctuation gain for the Fiscal 2019 was ₹ 5,05,28,983 which include foreign exchange fluctuation gain of ₹ 3,41,49,176 in respect of long term borrowing for setting up of new Medium Density Fibre (MDF) boards Plant in Andhra Pradesh, as compare to the Fiscal 2018 ₹ 1,89,11,944 , representing an increase of 167.18%. Interest income for the Fiscal 2019 was ₹ 2,78,43,519 as compare to the Fiscal 2018 ₹ 75,20,450, representing an increase of 270.24%.

*Expenses*

Our total expenditure for the Fiscal 2019 was ₹ 3,29,31,29,277 as compared to 3,10,72,01,093 for the Fiscal 2018, representing an increase of 5.98%. Total expenditure comprises of:

*Cost of materials consumed*

The Cost of materials consumed for the Fiscal 2019 was ₹ 1,93,37,07,755 as compared to ₹ 1,89,63,08,560 for the Fiscal 2018 representing an increase of 1.97%. The change was mainly due to increase in chemical price i.e. Phenol, Melamine and Methanol in Decorative Laminate sheet division for the Fiscal 2019 as compared to the Fiscal 2018.

The change was mainly due to change in product mix in Medium Density Fibre Board division for the Fiscal 2019 as compared to the Fiscal 2018.

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

*Purchase of Stock-in-trade*

The purchase of stock-in-trade for the Fiscal 2019 was ₹ 6,11,113 as compared to ₹ 1,55,10,713 for the Fiscal 2018, representing an decrease of (96.06%). This decrease was due to lower side of trading sales for the Fiscal 2019 as compare to the Fiscal 2018.

*Changes in Inventories of Stock-in-Trade*

The changes in inventories of Finished goods, stock-in-trade and Work in progress for the Fiscal 2019 was ₹ (1,68,15,206) crores as compared to ₹ (10,32,37,753) for the Fiscal 2018. Primarily due to increase of Finished goods by ₹ 16,58,472 and increase of Work in progress by ₹ 1,51,56,734 so net changes of inventories was ₹ 1,68,15,206.

*Employee benefit expenses*

Employee benefit expense for the Fiscal 2019 was ₹ 25,62,23,170 as compared to ₹ 20,97,93,520 for the Fiscal 2018, representing an increase of 22.13%. This was due to increment in salaries, wages and bonus.

*Other expenses*

Other expenses for the Fiscal 2019 was ₹ 89,72,07,136 crores as compared to ₹ 85,19,44,099 crores for the Fiscal 2018, representing an increase of 5.31%. The increase was mainly due to increase in consumption of Stores and Spares, Power and fuel, Repair and Maintenance and Selling expenses. Store and Spare consumption for the Fiscal 2019 was ₹ 5,57,65,897 as compared to the Fiscal ₹ 5,06,54,153 representing increase by 10.09% mainly due to wear and tear. Power and fuel consumption for the Fiscal 2019 was ₹ 26,83,74,519 as compared to the Fiscal ₹ 25,91,30,521 representing increase by 3.57% mainly due to Polyvinayl Chloride Board division manufactured board for Fiscal 2019 for 12 months and in Fiscal 2018 for 2 months. Repair and Maintenance cost for the Fiscal 2019 was ₹ 2,16,90,360 as compared to the Fiscal 2018 ₹ 1,15,77,202 representing increase by 87.35%. Selling Expenses for the Fiscal 2019 was ₹ 25,57,35,957 as compared to the Fiscal 2018 ₹ 21,77,84,722 representing increase 17.43%.

*Finance cost*

Finance cost for the Fiscal 2019 was ₹ 13,59,04,151 as compared to ₹ 8,70,23,507 for the Fiscal 2018, representing an increase of 56.17%. The increase in finance cost is due to increase in Interest to Unsecured loan to the Fiscal 2019 ₹ 2,35,55,425 as compared to the Fiscal 2018 was ₹ 77,04,029 representing a increasing 205.75%. Another reason for increase in finance cost is due to increase in Interest to Term Loan to the Fiscal 2019 ₹ 4,52,73,852 as compared to the Fiscal 2018 was ₹ 3,25,75,690 representing an increasing 38.98% mainly due to Polyvinayl Chloride Board division interest on term loan for Fiscal 2019 ₹ 1,24,42,909 and in Fiscal 2018 ₹15,90,423 representing an increasing 682.36%. Increase in finance cost is due to increase in Interest on Cash Credit to the Fiscal 2019 ₹ 4,17,46,796 as compared to the Fiscal 2018 was ₹ 2,98,80,504 representing an increasing 39.71% mainly due to increase in Short term borrowing.

*Depreciation and Amortisation Expense*

Depreciation and amortization expense for the Fiscal 2019 was ₹ 8,62,91,158 as compared to ₹ 7,52,93,456 for the Fiscal 2018, representing an increase of 14.61%. The increase is due to increase in capital expenditure.

*Restated Profit/Loss before Tax*

The restated profit/(loss) before tax for the Fiscal 2019 of ₹ 22,91,93,946 as compared to ₹ 42,96,21,339 for the Fiscal 2018. The decrease was due to increase in cost of materials consumed, employee benefits expense and other expenses for the Fiscal 2019 as compared to the Fiscal 2018.

*Taxation*

Total tax expense for the Fiscal 2019 was ₹8,58,44,312 as compared to ₹12,03,82,477 for the Fiscal 2018, representing a decrease of (28.69%). The decrease was due to Current tax for the Fiscal 2019 ₹ 6,58,67,735 as compared to ₹ 10,51,00,000 for the Fiscal 2018,representing decrease of (37.33%) mainly due to decrease in profit before tax for the Fiscal ₹ 22,91,93,946 as compared to ₹ 42,96,23,958 for the Fiscal 2018.The increase was due to Deferred tax for the Fiscal ₹ 1,99,76,577 as compared to ₹ 1,52,82,477 for the Fiscal 2018,representing increase of 30.72%.

*Restated Profit/Loss after Tax*

As a result of the aforesaid, Our Company earned a profit for the year on a restated basis for the Fiscal 2019 of ₹14,33,49,634 as compared to ₹30,92,38,862 for the Fiscal 2018, representing an decrease of (53.64%). The decrease was due to increase in cost of materials consumed, employee benefits expense and other expenses for the Fiscal 2019 as compared to the Fiscal 2018.

**CASH FLOWS**

The following table sets forth certain information relating to our cash flows:

*(Amount in ₹)*

| Particulars | March 31, 2020 | March 31, 2019 | March 31, 2018 |
|---|---|---|---|
| Net (loss) / profit before tax | 19,71,62,410 | 22,91,93,946 | 42,96,23,958 |
| Net Cash Flow from/ (used in) Operating Activities (A) | 47,13,01,914 | 18,60,59,887 | 50,02,17,478 |
| Net Cash Flow Used in Investing Activities (B) | (1,98,16,97,789) | (1,71,54,14,411) | (63,74,96,364) |
| Net Cash Generated from Financing Activities (C) | 1,51,03,56,287 | 1,53,02,92,649 | 12,32,12,731 |
| **Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)** | **(39,588)** | **9,38,125** | **(1,40,66,155)** |
| Cash and cash equivalents at the beginning of the year/period | 65,89,824 | 56,51,699 | 1,97,17,854 |
| **Cash and cash equivalents at year/ period end** | **65,50,236** | **65,89,824** | **56,51,699** |

**Operating Activities**

Net cash from operating activities for period ended March 31, 2020 was ₹ 47,13,01,914 as compared to the PBT of ₹ 19,71,62,410 for the same period. This difference is primarily on account of increase in trade and other payables, decrease in inventories, decrease in other current asset and trade and other receivable.

Net cash from operating activities for the period ended March 31, 2019 was ₹ 18,60,59,887 as compared to the PBT were ₹ 22,91,93,946 for the same period. This difference is primarily on account of increase in trade payables, increase in trade receivable and increase in other current assets.

Net cash from operating activities for period ended March 31, 2018 was ₹ 50,02,17,478 as compared to the PBT were ₹ 42,96,23,958 for the same period. This difference is primarily on account of increase in inventories and other assets and increase in trade and other payables, and decrease in financial assets.

**Investing Activities**

Net cash from investing activities for period ended March 31, 2020 was ₹ (1,98,16,97,789). This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2019 was ₹ (1,71,54,14,411). This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2018 was ₹ (63,74,96,364). This was on account of Purchase of property, plant & equipment and intangible assets (including capital work-in-progress and capital advances).

**Financing Activities**

Net cash from financing activities for period ended March 31, 2020 was ₹ 1,51,03,56,287. This was on account of increasing in long term borrowings, increase in short term borrowing and payment of finance cost.

Net cash from financing activities for year ended 2019 was ₹ 1,53,02,92,649. This was on account of the proceeds of Issue of share capital , increasing long term borrowings, increasing in short term borrowings and payment of finance cost.

Net cash from financing activities for year ended 2018 was ₹ 12,32,12,731. This was on account of the proceeds of Issue of share capital , increasing long term and short term borrowing and payment of finance cost.

**Contingent Liabilities**

The statement of contingent liabilities of our Company for the March 31, 2020 as restated are as mentioned in the table below:

*(Amount in ₹)*

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| 1. Disputed Income Tax Demand Matter Under Appeal | - | 2,63,222 | 10,64,110 |
| 2. Disputed Excise Demand Matter Under Appeal | 85,32,395 | 83,96,065 | 83,96,065 |
| 3. Disputed Custom Duty Matter Under Appeal | 27,55,536 | 27,55,536 | 27,55,536 |
| 4. Disputed VAT Liability matter under Appeal | - | - | 16,89,373 |
| Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present. | | | |

*Note:*
*(a) It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.*

*(b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.*

**Outstanding Letters of Credit**

*(Amount in ₹)*

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Outstanding Letters of Credit | - | - | 2,69,57,924 |

**Outstanding Bank Guarantee**

*(Amount in ₹)*

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Outstanding Bank Guarantee | 6,88,01,509 | 4,11,63,370 | 2,62,12,352 |

**Commitments:**

**Capital Commitments:**

*(Amount in ₹)*

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances | 19,53,41,794 | 148,31,91,612 | 107,89,28,751 |

**EPCG Commitments**

*(Amount in ₹)*

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|---|
| Future export obligations/commitments under import of Capital Goods at Concessional rate of customs duty. | 203,36,62,500 | 203,36,62,500 | - |

**Off-Balance Sheet Arrangements**

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

**Capital Expenditures**

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations.

**Qualitative Disclosure about Market Risk**

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

**Total Debt**

For details of our borrowings, please see section titled "*Financial Indebtedness*" on page 185 of this Draft Letter of Offer.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, 185revenue or income from continuing operations**

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 28 and 172 respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

**Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

**Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors*" on page 28.

Except as described in the chapter titled "*Key Industry Regulations and Policies*" beginning on page 124, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

**Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations"* beginning on pages 28 and 172 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

**The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

**Competitive Conditions**

We expect competition in the sector from existing and potential competitors to intensify. However, on account of portfolio of international brands, quality products, brand loyalty, launching products of latest trend & fashion, and centralized sourcing model, we are able to stay competitive. For further details, kindly refer the chapter titled "*Our Business*" beginning on page 111.

**Total Turnover of Each Major Business Segment**

We currently operate in three business segment i.e..

*(in ₹)*

| Details | 2019-20 | 2018-19 | 2017-18* |
|---|---|---|---|
| Decorative Laminated Sheets | 1,54,39,94,668 | 1,71,88,19,667 | 1,68,62,33,318 |
| Add: Licence due income | 8,41,90,438 | 10,05,73,479 | 10,28,40,066 |
| Decorative Laminated Sheets (Sub total-A) | 1,62,81,85,106 | 1,81,93,93,146 | 1,78,90,73,384 |
| | | | |
| Medium Density Fiber Board | 1,65,65,47,292 | 1,55,70,51,650 | 1,71,65,45,345 |
| Add: Licence due income | 1,09,572 | - | - |
| Medium Density Fiber Board (Sub total-B) | 1,65,66,56,864 | 1,55,70,51,650 | 1,71,65,45,345 |
| | | | |
| Polyvinyl Chloride Boards (C) | 7,11,38,442 | 6,09,76,128 | 41,38,520 |
| Total (A+B+C) | 3,35,59,80,412 | 3,43,74,20,924 | 3,50,97,57,249 |

***New Product or Business Segment***

Except as disclosed in "*Our Business*" on page 111 we have not announced and do not expect to announce in the near future any new products or business segments. We are going to manufacturing Medium Density Fiber boards at Atchutapuram, Andhra Pradesh which we are manufacturing at Chikmangalur, Karnataka.

**Seasonality of Business**

The business of our Company is not impacted by seasonal variations in sales volumes. However, we see an increase in our business during the festive periods in India, i.e., prior to Dussehra and Diwali, and end of season sales.

**Significant dependence on a Single or Few Suppliers or Customers**

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 28 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

**Related Party Transactions**

For details please refer to the discussion in the chapter titled "*Financial Statements*" beginning on page 171.

**Significant Developments since last balance sheet date**

Except as disclosed above and in this Draft Letter of Offer, including under "*Our Business*" and "*Risk Factors*" on pages 111 and 28 respectively, to our knowledge no circumstances have arisen since March 31, 2020, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on March 31, 2020, our total outstanding secured borrowing was ₹ 34,158.63 lakhs and total outstanding unsecured borrowing was ₹ 6,364.95lakhs.

Further, pursuant to a special resolution passed in the Annual General Meeting of our Company held on September 23, 2017, the Board of Directors has been authorised to from time to time, on such terms and conditions and with or without security, any sum or sums of monies whether in Indian rupees or foreign currency (including External Commercial Borrowing) which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed shall not at any time exceed ₹ 60,000 lakhs.

### *SECURED BORROWING*

As on March 31, 2020, we have availed secured loan of ₹ 36,537.42 lakhs, that are outstanding as of date. The following table provides the details of the secured loans availed by our Company as on March 31, 2020. The loan availed from Bank of Baroda was renewed and additional facilities were sanctioned by the Bank *vide* its sanction letters dated April 09, 2020 and May 18, 2020, therefore the details of the said loan have been updated accordingly:

*(₹ in lakhs)*

| Sr. No. | Nature of Facilities | Amount Sanctioned by Axis Bank Limited* | Amount Sanctioned by Bank of Baroda** | Amount Sanctioned by Bayerische Landesbank *** | Amount Sanctioned by Yes Bank Limited **** | Amount Sanctioned by Government of Karnataka ***** | Amount Sanctioned by LIC | Total Sanctioned Amount | Amount outstanding as on March 31, 2020# |
|---|---|---|---|---|---|---|---|---|---|
| **1.** | **Fund Based** | | | | | | | | |
| | Term Loan | 76.22[$] | - | - | - | - | - | 76.22 | 74.38 |
| | Corporate Loan | - | 375 | - | - | - | - | 375 | - |
| | Term Loan XIV | - | 125 | - | - | - | - | 125 | - |
| | Term Loan XV | - | 203 | - | - | - | - | 203 | - |
| | Term Loan XVI | - | 188 | - | - | - | - | 188 | - |
| | Term Loan XVII | - | 1,108 | - | - | - | - | 1,108 | - |
| | Corporate Loan – II | - | 1,000 | - | - | - | - | 1,000 | - |
| | Term Loan XVIII | - | 2,674 | - | - | - | - | 2,674 | - |
| | Term Loan XIX | - | 9,750 | - | - | - | - | 9,750 | - |
| | ECB (15 million @ INR / USD – Rs. 65) Sub Limit ICL/FCL Usance 180 days | - | | - | - | - | - | | |
| | Bayerische Landesbank and LBBW ECA | - | - | 11,052.19[&] | - | - | - | 11,052.19 | 9,823.92 |
| | SBL Drop line overdraft facility dated March 07, 2018 | - | - | - | 1,000 | - | - | 1,000 | 807.99 |
| | SBL Drop line overdraft facility dated August 29, 2018 | - | - | - | 38.30 | - | - | 38.30 | 31.21 |

| Sr. No. | Nature of Facilities | Amount Sanctioned by Axis Bank Limited* | Amount Sanctioned by Bank of Baroda** | Amount Sanctioned by Bayerische Landesbank *** | Amount Sanctioned by Yes Bank Limited **** | Amount Sanctioned by Government of Karnataka ***** | Amount Sanctioned by LIC | Total Sanctioned Amount | Amount outstanding as on March 31, 2020# |
|---|---|---|---|---|---|---|---|---|---|
| | Interest free loan against VAT | - | - | - | - | 507.58 | - | 507.58 | 507.58 |
| | Secured loan against pledge of keyman insurance policies of directors | - | - | - | - | - | 22.73 | 22.73 | 22.73 |
| **2.** | **Total Term Loan Finance** | **76.22** | **15,423** | **11,052.19** | **1038.30** | **507.58** | **22.73** | **28,120.02** | **11,267.81#** |
| **3.** | **Working Capital** | | | | | | | | |
| | ***Cash Credit*** | | | | | | | | |
| | (hypothecation of stock and book debts) | - | 7,700 | - | - | - | - | 7,700 | - |
| | Seasonal CC Limit | - | 400 | - | - | - | - | 400 | - |
| | **Sub-limit under CC** | - | | - | - | - | - | | - |
| | MDF Division<br>a. Packing credit cum FBP/ FBD | - | (2,000) | - | - | - | - | (2,000) | - |
| | b. WCDL.<br>c. PCFC/ FCBP/ BD<br>Parked Limit at Chikmaglur Branch<br>d. Law Garden Limit | - | (2,000)<br>(1,500)<br>(50)<br>(10) | - | - | - | - | (2,000)<br>(1,500)<br>(50)<br>(10) | - |
| | Exporters gold card limit @ 20% of export credit limit | - | 400 | - | - | - | - | 400 | - |
| | Demand Loan | - | 800 | - | - | - | - | 800 | - |
| **4.** | **Total Fund Based WC Limit** | - | **9,300** | - | - | - | - | **9,300** | - |
| **5.** | **Total Fund Based Limit (2+4)** | **76.22** | **24,723** | **11,052.19** | **1038.30** | **507.58** | **22.73** | **37,420.02** | **11,267.81#** |
| **6.** | **Non Fund Based** | | | | | | | | |
| | Inland/ Import Letter of Credit (DP/DA usance upto 180 days)<br>Sub – limit<br>Bank Guarantee (Fresh)<br>Sub limit to LC | - | 4,400<br><br><br>(900)<br>(2,000) | - | - | - | - | 4,400<br><br><br>(900)<br>(2,000) | - |
| **7.** | **Total Non Fund Based** | - | **4,400** | - | - | - | - | **4,400** | - |
| **8.** | **Forward Cover (@5% of notional exposure)** | - | **100** | - | - | - | - | **100** | - |
| **9.** | **Demand Loan under Baroda** | - | **490** | - | - | - | - | **490** | - |

| Sr. No. | Nature of Facilities | Amount Sanctioned by Axis Bank Limited* | Amount Sanctioned by Bank of Baroda** | Amount Sanctioned by Bayerische Landesbank *** | Amount Sanctioned by Yes Bank Limited **** | Amount Sanctioned by Government of Karnataka ***** | Amount Sanctioned by LIC | Total Sanctioned Amount | Amount outstanding as on March 31, 2020# |
|---|---|---|---|---|---|---|---|---|---|
| | **Covid Emergency credit line (BECL)** | | | | | | | | |
| | **Total Exposure (5+7+8+9)** | **76.22** | **29,713** | **11,052.19** | **1038.30** | **507.58** | **22.73** | **42,410.02** | **11,267.81[#]** |

**Axis Bank Limited has sanctioned the abovementioned facilities vide its sanction letter dated January 29, 2020.*
***Bank of Baroda has sanctioned the abovementioned facilities vide its sanction letter dated April 09, 2020 and May 18, 2020.*
**** Bayerische Landesbank has sanctioned the abovementioned facilities vide its sanction letter dated March 15, 2017.*
*****Yes Bank Limited has sanctioned the abovementioned facilities vide its sanction letters dated March 07, 2018 (for the loan of ₹1,000 lakhs) and August 29, 2018 (for the loan of ₹38.30 lakhs).*
****** Karnataka VAT interest free loan has been sanctioned by the Government of Karnataka vide its order dated July 14, 2019 bearing number CI 360 SPI 2010 and order dated March 27, 2015 bearing number CI 53 SPI 2015. The interest free loan has been sanctioned under the Industrial Policy 2009-2014 for the establishment of our MDF manufacturing unit at Ambale Industrial Area, Chikkamangaluru.*
*$ Equated monthly instalment based term loan for purchase or repurchase or refinance of CV/CE.*
*& Foreign Currency Term Loan.*

*#The loan sanctioned by Bank of Baroda has been renewed and additional facilities have been sanctioned vide its sanction letters dated April 09, 2020 and May 18, 2020. Therefore, we will not be able to provide the outstanding amount as at March 31, 2020 for the said loan; however, we undertake to update the outstanding amount for the same in the Letter of Offer, which shall be filed with the Stock Exchanges and SEBI.*

**Principal terms of borrowings availed by the Company:**

***a. Interest:***

The interest rate charged by the banks forming a part of the consortium differs and the details of the same have been provided below:

1) ***Working Capital Facilities****:* The interest rate charged for working capital facilities is floating in nature, the rate charged by bank of Baroda ranges from 0.75% p.a. to 1.85% p.a. above one year marginal cost of fund based lending rates ("***MCLR***").

2) ***Term Loan Facility:*** The interest rate charged for the term loan facility availed from Axis Bank Limited is fixed at the rate of 9.40% per annum. The interest rate charged for the term loan availed from Bank of Baroda and Bayerische Landesbank is floating in nature, the rate charged by Bank of Baroda ranges from 1.35% p.a. to 2.70% p.a. above one year MCLR. For Term Loan XIX and its sub limits, the rate of interest charged by the Bank is 3 months LIBOR USD over and above the margin of 325 bps. The interest charged by Bayerische Landesbank is 0.85% p.a. above euro inter bank offered rate ("*EURIBOR*") for a credit period of 6 months or 1.35% p.a. above london inter bank offer rate ("*LIBOR*") for an interest period of 6 months. For the SBL drop line overdraft facility, the interest rate charged if floating in nature and ranges from 9.40% to 9.70 percent over and above 0.15% of MCLR.

3) Loan availed from the Government of Karnataka under the Industrial Policy 2009-2014 is interest free in nature.

***b. Tenor:*** The tenor of the working capital facilities ranges from 09 months to 24 months and of the term loans ranges from one (01) year to nine (09) years.

***c. Security Details of the above mentioned borrowings:***

**1) Axis Bank Limited**

First *pari-passu* charge by way of hypothecation of the commercial vehicle or construction equipment purchased or repurchased or refinanced out of the banks funds, the details of which are provided below:

| S. No. | Particulars of the vehicle | No. of units | Name of the Dealer | Amount at which purchased (₹ in lakhs) |
|---|---|---|---|---|
| 1. | Palfinger crane | 02 | Palfinger Crane India Private Limited | 38.11 (each) |

**2) Bank of Baroda**

i. First *pari-passu* charge by way of hypothecation on:

a) the whole of the Company's stocks both present and future and including but without prejudice to the generality of the foregoing words, all stocks of raw materials, work-in-progress, semi finished goods and finished goods such as base paper, craft paper, resins, chemicals, etc. packing materials and stores, etc. whatsoever and whosesoever situate and/or transit whether now belonging to or that may at any time during the continuance of this security belong to the Company on that may be held by any party anywhere to the order and disposition of the Company;

b) all the present and future book-debts, outstanding, monies receivables, claims bill, contracts, engagements and securities which are now due and owing or which may at anytime hereafter during the continuance of this security become due and owing to the Company in the course of its business by any person, firm, company or body corporate or by the government of India or any state government or Indian railway or any government department or office or any municipal or local or public or semi-governmental body or authority whatsoever including those relating to the assets leased out and / or given on hire purchase basis.

c) all the tangible movable machinery and plant and cranes, boats and crafts and the vehicles of the Company together with spares, tools and accessories and other movables both present and future and the furniture, fixtures and fittings and office equipment whether installed or not and whether lying loose or in case which are now lying or stored in or about or shall be brought into or be stored or be in or upon or about the Company's premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the Borrower including those on lease or hire purchase relating or pertaining to the Company's works at Kalol;

d) on entire current asset by way of hypothecation of entire raw materials, stock-in-process, stores and spares, packing materials, finished goods and book debts of the Company (present and future);

e) entire Machineries, electrical installation, furniture & fixtures, office equipment and other movable fixed assets of the company situated at the above mentioned factories present & future and equitable/legal mortgage of factory land & building and construction thereupon;

f) plant and machineries for wood PVC manufacturing unit including civil works to be procured with the term loan availed;

g) plant and machineries (CAPEX) procured with the term loan;

h) plant and machineries for the new MDF manufacturing unit at Andhra Pradesh procured with the term loan;

i) land and proposed construction of new project at Atchutapuram, Vishakhapatnam, Andhra Pradesh;

j) miscellaneous fixed assets and contingencies;

k) second *pari passu* charge over the 800CBM capacity MDF Board line proposed to be purchased from Germany and other related equipment/ machinery to be finalized by Bayerische Landesbank under the suppliers' credit arrangement in the new MDF project at Achutapuram, Dist Visakhapatnam;

l) Fixed deposit, cash margin @ 10% of LC limit; and

m) Pledge of 13.5% shares of the Company owned by Krupesh Ghanshyambai Thakkar.

ii. First *pari-passu* charge by way of an equitable mortgage on:

a) All that piece or parcel of non agricultural constructed freehold property bearing flat number 1 and 2 on the ground floor admeasuring 80 square yards along with undivided 1/16th share for each flat in the building known as "Krinkal Apartment" on sub plot no. 5 in Mahalaxmi Co-operative housing society limited situated on the land of final plot no. 229 of town planning scheme no. 3/6 situate, lying and being at Mouje: Paldi, Taluka city, in the registration district and sub district of Ahmedabad. The property is registered in the name of the Company.

b) All that piece or parcel of non-agricultural leasehold industrial property bearing plot number 608 admeasuring 3976 sq. kms. In Mansa Industrial estate of Gujarat Industrial Development Corporation, situate, lying and being at Mouje Bapupura,. Taluka, Vijaypur in the registration district. Together with all buildings and structures now standing thereon or to be erected hereafter and the plant and machinery attached to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of the Company.

c) All that piece and parcel of land bearing NA land being Block No. 149 admeasuring about 7831 square meters (issued in lieu of old block no. 125 vide old revenue survey no. 98/2B admeasuring about 7993 square meter of land situated lying and being at Mouje Itla Taluka Kalol, in the registration district and sub district of Gandhinagar belonging to the Company. Together with all buildings and structures now standing thereon or to be erected hereafter and the plant and machinery attached to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of the Company.

d) All that piece and parcel of immovable property N.A. land being block no. 155 part admeasuring about 1915 s. mtrs., block no. 156 part admeasuring about 2529 sq. mtrs.. block no. 167 part admeasuring about 1890 sq. mtrs., block no. 168 part admeasuring about 1315 sq. mtrs and block no. 169 part admeasuring about 1315 sq. mtrs. Aggregating to 8964 sq. mts. of land situate, lying and being at Mouje: Dholakuva, Taluka Mansa in the registration district and sub district of Gandhinagar belonging to the Company. Together with all buildings and structures now standing thereon or to be erected hereafter and the plant and machinery attached to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of the Company.

e) All that piece or parcel of non-agricultural constructed freehold property bearing Bungalow No. 4 on the plot area admeasuring about 600 sq. yards and construction of about 408 sq. yards thereon in the scheme known as "Pushpadhanva Bungalows" of Pushpa Dhanva Owners Association, an association registered under the provisions of the Bombay Non Trading Corporation Act, 1959 under serial no. NTCG - 1669 dated November 20, 1987 situated on the revenue survey number 113, land of final plot 24 part of town planning scheme in the registration sub district and sub district of Ahmedabad. Together with all buildings and structures now standing thereon or to be erected hereafter attached to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of Ghanshyam Ambalal Thakkar.

f) All that immovable property bearing sub plot number D-2/1 admeasuring about 680 sq. yards together with construction standing thereon in the timber merchant's co-op building society limited which is known as "Sahakari Lati Bazar Zone -1" situated on the land bearing final plot number 20 to 23 of town planning scheme no.1 of village Raipur, Hirpur Taluka city, registration district Ahmedabad and sub-district Ahmedabad 7 (Odhav). Together with all buildings and structures now standing thereon or to be erected hereafter attached

to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of Ghanshyam Ambalal Thakkar.

g) All that immovable leasehold property bearing plot number 58 and 59 P totally admeasuring about 10acres in the Amble I.A. Chikmagalur situated on the land bearing survey number No. 296, situate lying and being at village, Amble, Hobli, Amble, Taluka Chikmagalur, Registration District Chikmagalur. The property is registered in the name of the Company.

h) All that immovable property leasehold property bearing plot number 60P admeasuring about 12108 square meters in the Amble Industrial Area situated on the land bearing survey number 296 situate, lying and being at Village Amble, Hobli: Amble, Taluka Chikmagalur, Registration district, Chikmagalur. Together with all buildings and structures now standing thereon or to be erected hereafter and the plant and machinery attached to the earth or permanently fastened to anything to the earth, both present and future. The property is registered in the name of the Company.

i) All that immovable property bearing plot number 15D, 15B1, 15B2, 15C, 15D/1, 15K and 15L admeasuring 105540.20 square yards covered by survey number 88p, 89p, 90p, 101p, 102p, 103p, 105p, 106, 107p, 108p, 113p, 131p, 132p, 133p situated at Dibbapalem Village, Atchutapuram Mandal within the limits of APIIC IALA- Atchutapuram Yelamanchilli, sub-registrar office, Vishakhapatnam district. The property is registered in the name of the Company.

**3) Bayerische Landesbank**

First *pari-passu* charge by way of hypothecation on the machinery, equipment for a Medium Density Fibreboard (MDF) manufacturing plant to be provided by Siemplelkamp Maschinen and Anlagenbau GmbH to the Company.

**4) Yes Bank Limited**

a) For the SBL Drop line overdraft facility dated March 06, 2018 amounting to ₹ 1,000 lakhs:

First *pari-passu* charge by way of equitable mortgage of all that immovable property situated at:

i. Residential bungalow number 18, 19, Pushpa dhanwa Bungalows, Near Mansi Circle, Vastrapur, Ahmedabad – 380 015, Gujarat, India. This property is registered in the name of Krupesh Ghanshyambhai Thakkar; and

ii. Rushil Corporate House, Near GIHED House, Off. Sindhu Bhawan Roard, Near SP Ring road, Ahmedabad – 380 058, Gujarat, India. This property is registered in the name of Krupesh Ghanshyambhai Thakkar.

b) For the SBL Drop line overdraft facility dated August 29, 2018 amounting to ₹ 38.30 lakhs :

First *pari-passu* charge by way of equitable mortgage of all that immovable property situated at:

i. Residential bungalow number 18, 19, Pushpa dhanwa Bungalows, Near Mansi Circle, Vastrapur, Ahmedabad – 380 015, Gujarat, India. This property is registered in the name of Krupesh Ghanshyambhai Thakkar;

ii. Rushil Corporate House, Near GIHED House, Off. Sindhu Bhawan Roard, Near SP Ring road, Ahmedabad – 380 058, Gujarat, India. This property is registered in the name of Krupesh Ghanshyambhai Thakkar;

iii. Unit No. D-3, 1st floor, Taxshashila Apartments, opposite, Pushpadhanwa Bungalows ,near saket bungalows, Vastrapur Ahmedabad, Gujarat, India. This property is registered in the name of our Promoter and Promoter Group;

iv. Block No. E flat number 302, 3rd floor, Dev 181, near DevDep Apartments 1&2, near Siddeshwar Residency, near Sterling Apartment -3, Sterling City, Bopal, Ghuma Road, Bopal, Ahmedabad – 380058, Gujarat, India. This property is registered in the name of our Promoter and Promoter Group; and

v. Block No. E flat number 303, 3rd floor, Dev 181, near DevDep Apartments 1&2, near Siddeshwar Residency, near Sterling Apartment -3, Sterling City, Bopal, Ghuma Road, Bopal, Ahmedabad – 380058, Gujarat, India. This property is registered in the name of our Promoter and Promoter Group.

**5) Government of Karnataka**

The Company has secured the loan by way of a bank guarantee bearing number 0150IGPER001815 for an amount of ₹ 507.58 lakhs.

**6) Life Insurance Corporation Limited**

The loan has been secured by way of a pledge of the keyman insurance policy availed for Krupesh Ghanshyambhai Thakkar.

***d. Personal Guarantee:*** Personal Guarantee has been provided by our Promoter, Chairman and Whole-time Director Ghanshyambhai Ambalal Thakkar and our Promoter and Managing Director Krupesh Ghanshyambhai Thakkar.

***e. Repayment:*** The term loans availed by our Company are typically repayable in annually, monthly, quarterly and semi-annually instalments and the working capital facilities are typically repayable on demand.

***f. Restrictive Covenants under the Secured Loans:***

Our Company shall not without the prior consent of the bank:

- grant a charge (including a *pari passu*, first, second or subservient charge) or create, or agree, or attempt to create any other security interest in any way, manner or form over the Equipment (now or in future) in favour of any other person;
- enter into a single transaction or series of transactions (whether related or not and whether voluntary or involuntary) to transfer, assign or otherwise dispose of the Equipment;
- sell, assign, convey, transfer, encumber, dispose of or part with or create or permit to exist or cause to be created any other security interest on any or all of the equipment till the final settlement date, or create any security interest or do or permit to be done any act or thing whereby the charge created or purported to be created under the deed may be impaired or affected in any manner whatsoever or which may otherwise prejudice the rights of the secured parties;
- create, grant or permit to subsist any restriction on the ability to transfer or realize, all or any of its rights, title and interests in the equipment or any part thereof;
- do or permit to be done anything which could prejudice the charge in any manner;
- transfer or assign any of its rights, benefits and obligations under the lending documents;
- implement any scheme of Expansion / Modernization / Diversification, except which are approved by the Bank;
- formulate any scheme of merger /acquisition /amalgamation / reconstitution;
- carry out any change in the management set-up / capital structure of the Company;
- enter in to borrowing either secured or unsecured with any other Bank / Financial institution/corporate body;
- invest / deposit / lend funds to group firm & companies / directors / family members / other corporate bodies / firms / persons;
- create any further charge. lien or encumbrances over the assets charged to the Bank in favour of any other bank, financial institution NBFC, firm, company or person or otherwise dispose off any of the fixed assets;
- undertake guarantee obligation on behalf of any other borrower, group firms / companies;
- pay commission / brokerage / fees etc. to Guarantor or any other person for guaranteeing the facilities sanctioned to the Company;

- declare dividends for any year, except out of the profits related to that year, after paying all due and making provisions as required for that year, provided there is no default in repayment obligation by the Company;
- allow the level of net working Capital to come down from the estimated / projected level;
- save and except as herein specifically provided for, the Borrower shall not create any further or an additional charge on the hypothecated premises;
- permit any changes in the ownership of control of the Company whereby the effective beneficial ownership or control of the Company shall change;
- effect any material changes in the management of the business of the Company;
- effect any drastic change in the management setup;
- make any amendments in the Company's Memorandum and Articles of Association;
- during the tenure of the loan avail or obtain any further loan or facility on the asset constituting the Bank's security;
- shall not stand as surety or guarantor for any third party liability or obligation;
- shall not create any charge over any property whether secured or unsecured except with the permission of the Bank;
- shall not bank with any other bank without the prior consent of the Bank;
- shall not create any lien on the properties or goods hypothecated to the Bank;
- may assign or transfer any rights or obligations arising from the loan agreement in whole or part to third parties without the prior consent of the Bank and the Reserve Bank of India;
- shall keep the bank informed of all development regarding such obligations, claims, cost, damages, demands, expenses, losses and liabilities and shall not dispute, compromise or otherwise deal with the same subject to the consent given by the Bank;
- shall not remove the vehicle or permit or suffer it to be removed from the state of Gujarat;
- shall not to sell, pledge, hypothecate, hire or otherwise deal with the Product or part with the possession of the product or remove it out of the state where the original delivery was effected without the express written permission of the lender previously obtained and also not to use the Product for any purpose other than that declared in the Company proposal /application as the case maybe;
- shall always remain in possession of the product and not to pledge, hire or otherwise deal with the product;
- Not repay the unsecured loans and share application money during the currency of Bank finance without Bank's prior permission and all the unsecured loans would be subordinated / to Bank loan;
- Not withdraw the promoter's contribution brought in by way of unsecured loans during the tenure of the loan, is to be obtained;
- Not utilize the loan for a) Subscription to or purchase of shares and debentures and b) Extending loans to subsidiary companies/associates or for making inter-corporate deposits;
- not except in the ordinary course of business receive, release or compound any of the said debts and assets without the consent in writing of the Bank and will not do anything whereby the recovery thereof may be impeded, delayed, prejudiced, prevented or becomes time barred ;
- Enter into any agreement or arrangement with any person or institution, or government body, for the use, occupation, development or disposal of the secured assets or any part thereof;
- Amalgamate or merge the mortgaged property with any person, institution or government body for the use, occupation development or disposal of the secured assets;
- Undertake guarantee obligations on behalf of any company, firm or person;
- Pay guarantee commission to the guarantors whose guarantees have been stipulated or furnished by the facilities;
- Invest by way of share capital or lend or advance funds to or place deposits with any concern;
- Be entitled to redraw any amount prepaid in accordance with the loan agreement;
- Allow the promoters to disinvest or transfer their shareholding in the borrower;
- Take up a new project or large scale expansion;
- Make investments in or give loans to subsidiaries, associate concerns, individuals or other parties;
- Not rent or alientate of part with the possession of the secured property in any manner whatsoever either partly or wholly during the tenure of the loan;
- Pay dividend other than out of current years' earnings after making due provisions; and
- Repay the loans and discharge other liabilities.

***g. Events of Default:*** In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of

the following, among others, constitute an event of default:

1) The Company commits any default in the payment of interest, principal, other charges or any obligation and in the payment of any other amount to the Bank when due and payable unless the reason for the delay is an administrative or technical error or disruption error;
2) A material deterioration of the financial circumstances of the Company and/or exceptional circumstances are imminent to occur with imperil, delay or preclude the fulfilment of the payment obligation of the Borrower under the finance documents;
3) lf there is any deterioration or impairment of the securities (if any given to the Bank as security) or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which 'causes the security in the judgment of the Bank to become unsatisfactory as to character or value;
4) The Company fails to pay to any of its creditors other than the Bank any amount when due and payable or any creditor other than the Bank demands repayment of the loan or dues or liability of the Company to such person ahead of its normal repayment terms as previously agreed between the creditor and the borrower;
5) The Company fails to perform any of its obligations of this Agreement or breaches any of the terms or conditions of this Agreement or any other security documents, undertakings, etc. executed in favour of the Bank;
6) The death, failure in business going into liquidation or dissolution, amalgamation or reconstruction except with prior written consent of the Bank general assignment for the benefits of the creditors, if the Company suspends payment to any creditors or threatens to do so filing of any petition of winding up against the Company;
7) Any of the information provided by the Company to avail the loan facility or any of the Company's representations, warranties herein being found to be or becoming incorrect or untrue;
8) Any person other than the Bank commencing proceedings to declare the Company insolvent or if the Company shall become bankrupt or insolvent or commit an act of insolvency;
9) The value of any security created or tendered by the Company in the sole discretion and decision of the bank depreciates entitling the Bank to call for further security and the Borrower fails to give additional security;
10) The Company fails to create the security as provided therein;
11) The bank for any regulatory or other reasons is unable or unwilling to continue the loan facility;
12) If a receiver or receivers are appointed in respect of the whole or any part of the property or assets of the Company or if any attachments, distress, execution or other process against the Company or any of the securities is enforced or levied upon;
13) If the Company ceases or threatens to cease or carry on its Business or if the co-borrower opts to resign or retires from the employment prior to the age of superannuation or is discharged or removed from service such date for any reason whatsoever;
14) If it is certified by an account or a firm of accountants appointed by the Bank that the liabilities of the Company exceed the Company's assets or that the Company is carrying on business at a loss;
15) If the Company fails to pay any tax, imposts, duties, levies or other taxes or impositions in relation to the hypothecation as may be applicable under laws or regulations from time to time;
16) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of the Company to repay the loan facilities or any part thereof;
17) If the loan facility or any part thereof is utilised for any purpose other than the purpose for which it is supplied by the Company and sanctioned by the Bank;
18) If any attachment, distress, execution or other process against the Company or any of the securities is enforced or levied upon;
19) If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardise or is likely to prejudice, impair, imperil, depreciate or jeopardise, security given by the Company or any part thereof;
20) If the Company without prior written consent of the Bank attempts or purports to create any charge, mortgage, pledge, hypothesis, lien or other circumstance over the Company's property or any part thereof which is or shall be the security for the repayment of the said dues except for securing any other obligation of the Company to the Bank;
21) Upon happening of any substantial changes in the constitution or management of the Company without previous written consent of the Bank or upon the management ceasing to enjoy the confidence of the Bank;
22) If the Company fails to furnish my information any information required by the Bank;
23) If the Company fails to furnish to the Bank detailed end use statement of the Loan as and when required by the Bank within the time prescribed by the Bank; and

24) All or substantially all of the undertaking, assets or properties of the Company or its interest therein are seized, nationalised, expropriated or compulsorily acquired by the authority of the Government.
25) Any third party commences any seizure, enforcement or other steps which impair the first ranking security;
26) The first ranking security has not been created by the Company and/ or the Company has not furnished all the documents which are required to be provided to the facility agent within 180 days;
27) The first raking security has ceased to be legally valid or is restricted prior to the complete repayment of all loans and payment of all interest by the Company under the loan agreement;
28) The first ranking security has proved to be invalid or unenforceable;
29) The value of the vehicle or the or any security created or tendered by the Company in the sole discretion or decision of the Bank depreciates entitling the Bank to call for further security and the Company fails to give the additional security;
30) If the vehicle is destroyed, sold, disposed of , alienated, attached or restrained in any manner;
31) Fails to effect insurance cover of the product or fails to pay insurance premia as and when due or fails to reimburse the same to the lender if paid by the lender, or under any other document furnished to the lender in connection herewith;
32) Without the lender's consent sells, transfers, parts with possession or sub-lets or charges or encumbers or creates any lien on or endangers the product in the opinion of the lender;
33) Is unable to prevent the product from being confiscated, attached or taken into custody by any authority or from becoming subject of any execution proceedings under the law;
34) The ECA policy has ceased to be legally valid or is restricted prior to the complete repayment of all loans and payment of all interest by the Company under the loan agreement and has proved to be invalid or unenforceable;
35) The Company without the prior written consent of the Bank attempts or purports to avail loan in connection with the purpose for which this loan has been availed from any other bank, financial institution, organisation company or any other person;
36) lf the Borrower defaults in respect of any other indebtedness to the Bank or any of the group companies of Borrower defaults in respect of the indebtedness to the Bank; and
37) Any other event or circumstance set out in any other connect documents.

***h. Consequences of default:*** In terms of our borrowing arrangements for the facilities availed by us, upon the occurrence of events of default, our lenders shall have the right to forthwith:

1) declare outstanding amounts immediately due and payable and call upon the Company by issuance of a seven (07) days loan recall notice to forthwith pay the outstanding balance of the loan together with the interest and all sums due and payable to the Bank;
2) take physical possession of the assets hypothecated or mortgaged to the Bank and alienate, sell, transfer, the said properties either by itself or through its agents and sell or otherwise deal with the same to enforce the Bank's security and recover the dues;
3) take necessary steps to dispose off the assets at the risk and cost of the Company in all respects after the issuance of pre-sale notice intimating the Company or the security provider that of the proposed sale;
4) manage or use any or all of the equipment and to exercise and do all such rights and things as the security agent would be capable of exercising or doing if it were the absolute owner of the equipment;
5) appoint or discharge employees, officers, security trustees, professionals and others for the purpose hereof upon such terms as to remuneration or otherwise as the security agent (acting for and on behalf of the secured parties) may deem fit;
6) borrow or raise money either unsecured or on the security of any or all of the equipment (either in priority to the charge or otherwise);
7) settle, compromise, and deal with any rights/claims relating to the equipment including the right to take, arrange, defend, settle, compromise, submit to arbitration and discontinue any actions, suits or proceedings whatsoever whether civil or criminal in relation to the equipment or which in any way relate to the charge created hereunder;
8) manage and use any or all of the equipment and to exercise and do (or permit the Company or any nominee of it to exercise and do) all such rights and things as the security agent (acting for and on behalf of the Secured Parties) would be capable of exercising or doing if it were the absolute owner of the equipment;
9) the Bank shall after giving notice be entitled to forthwith take physical possession of the vehicle and alienate sell, transfer the vehicle either by itself or though its agents and sell or otherwise deal with the same to enforce the bank's security and recover the dues, without the intervention of the Court. In the exercise of the powers herein contained, the Bank shall not be bound or liable for any losses the Borrower may suffer as a result of the

said realisation and sale. in the event of the Bank or its authorised representatives being prevented from securing possession of the Vehicle, the representatives of the Bank shall be entitled to break open the lock and enter the premises for the purpose herein stated;

10) cancel the undrawn commitments under the facility;
11) suspend any withdrawal under the facility;
12) enforce the security;
13) exercise any other rights under the financing documents/applicable law;
14) to review/restructure the management and board of our Company;
15) to appoint one (1) nominee director on the board of our Company;
16) convert the facility (or any part thereof) into equity share capital of our Company;
17) appoint any Chartered Accountants /Cost Accountants, as auditors, for carrying out any specific assignments or as concurrent or internal auditors, or for conducting a special audit of our Company;
18) make a claim against the guarantor under the guarantee issued in terms of the agreements executed for the facility extended to the Company;
19) revoke or recall the concessional rate of interest as stipulated in the sanction conditions pursuant to which the Company shall be liable to pay interest rate calculated without any such concessions or discount; and
20) take any such action and / or measure as may be decided by the Bank in its sole discretion.

***VEHICLE LOAN***

Our Company has availed the following vehicle loans from certain institutions, the details of which are as under:

| Lender* | Loan Amount sanctioned (₹ in lakhs) | Amount outstanding as on March 31, 2020 (₹ in lakhs) | Rate of Interest (% p.a.) | Repayment Schedule | Security |
|---|---|---|---|---|---|
| Yes Bank Limited | 8.64 | 6.40 | 9.86 | Repayable in 47 monthly equated installments of ₹ 22,235 | New Forklift purchased from Kion India Private Limited |
| Kotak Mahindra Bank Limited | 66.70 | 35.49 | 8.07 | Repayable in 60 monthly equated installments of ₹ 1,34,925 | Model No.: Audi Q7 45 TDI Quattro Premium Plus Engine No.: CVM 015683 |
| ICICI Bank Limited | 9.80 | 3.82 | 8.95 | Repayable in 36 monthly equated installments of ₹ 31,141 | Model No.: Eartiga VDI Smart Hybrid – AP Engine No.: D13A-5621315 |
| Yes Bank Limited | 12.15 | 9.00 | 9.86 | Repayable in 47 monthly equated installments of ₹ 31,265 | Crane purchased from Action Construction Equipment Limited |
| ICICI Bank Limited | 4.35 | 1.70 | 8.95 | Repayable in 36 monthly equated installments of ₹ 13,823 | Model Name: Grand I-10 Era 1.2 Engine No. G4LAJM843575 |
| Axis Bank Limited | 8.00 | 5.85 | 9.46 | Repayable in 37 monthly equated installments of ₹ 25,013 | TUV-300 AP, Model: Mahindra TUV300 T6+ MHAWK100-Diesel, Engine Number: VZK6A18247 |

| Lender* | Loan Amount sanctioned (₹ in lakhs) | Amount outstanding as on March 31, 2020 (₹ in lakhs) | Rate of Interest (% p.a.) | Repayment Schedule | Security |
|---|---|---|---|---|---|
| Yes Bank Limited | 8.65 | 8.16 | 10 | Repayable in 47 monthly equated installments of ₹ 22,300 | New Forklift purchased from Kion India Private Limited |
| Yes Bank Limited | 8.65 | 8.16 | 10 | Repayable in 47 monthly equated installments of ₹ 22,300 | New Forklift purchased from Kion India Private Limited |
| Yes Bank Limited | 14.76 | 13.92 | 10 | Repayable in 47 monthly equated installments of ₹ 38,050 | New Forklift purchased from Kion India Private Limited |

**Our Company has repaid the vehicle loan of ₹ 11.64 lakhs availed for Axis Bank on June 10, 2020, therefore the said loan has not been included in the above table.*

***UNSECURED BORROWINGS***

Our Company has availed the following unsecured loans from our Directors, Promoters, Promoter Group and financial institutions, the details of which are set out below:

*(₹ in lakhs)*

| Name of the lender | Amount outstanding as on March 31, 2020 |
|---|---|
| ***Loans from Directors, Promoters and related parties*** | |
| Ghanshyambhai Ambalal Thakkar | 152.55 |
| Krupesh Ghanshyambhai Thakkar | 459.84 |
| Kaushikbhai Thakkar | 16.00 |
| M/s. Rushil international | 5360.00 |
| Ambalal Dinubhai Thakkar (HUF) | 0.68 |
| Dinuben Ghanshyambhai Thakkar | 1.47 |
| Krupaben Krupesh Thakkar | 29.40 |
| Rushil Krupesh Thakkar | 8.23 |
| Viresh Natvarlal Thakkar | 2.05 |
| Rushvi Rushil Thakkar | 7.00 |
| Krupeshbhai G. Thakkar (HUF) | 8.57 |
| ***Financial Institutions*** | |
| ICICI Bank Limited | 47.70 |
| IDFC First Bank | 51.00 |
| IIFL Limited | 49.68 |
| Magma Fincorp Limited | 49.95 |
| TATA Capital Limited | 49.51 |
| Padamshree Globe Tradeling Limited | 71.30 |
| **Total Unsecured Loans** | **6,364.93** |

## MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE and NSE from July 07, 2011.

a) Year is a Financial Year;

b) Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;

c) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and

d) In case of two days with the same high / low / closing price, the date with higher volume has been considered.

**Stock Market Data of the Equity Shares**

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) **BSE Limited**

| Financial Year | High (₹) | Date of high | No. of shares traded on date of high | Total volume traded on date of high (in ₹) | Low (₹) | Date of low | No. of shares traded on date of low | Total volume of traded on date of low (in ₹) | Average price for the year (₹) |
|---|---|---|---|---|---|---|---|---|---|
| 2020 | 691.80 | May 23, 2019 | 30,744 | 2,01,46,451 | 66.00 | March 24,2020 | 129 | 8,514 | 245.40 |
| 2019 | 823.25 | April 02, 2018 | 388 | 3,17,175 | 434.85 | March 27,2019 | 64,263 | 2,80,12,895 | 612.47 |
| 2018 | 1157.30 | November 02, 2017 | 16,456 | 1,89,89,790 | 557.55 | April 18,2017 | 4,743 | 26,50,601 | 846.98 |

*(Source: www.bseindia.com)*

**b) National Stock Exchange of India Limited**

| Financial Year | High (₹) | Date of high | No. of shares traded on date of high | Total volume traded on date of high (in ₹) | Low (₹) | Date of low | No. of shares traded on date of low | Total volume of traded on date of low (in ₹) | Average price for the year (₹) |
|---|---|---|---|---|---|---|---|---|---|
| 2020 | 687.25 | May 24, 2019 | 88,605 | 6,09,12,576 | 66.20 | March 24,2020 | 1,624 | 1,08,254 | 242.17 |
| 2019 | 820.25 | April 02, 2018 | 4,747 | 38,80,416 | 433.15 | March 27,2019 | 1,41,576 | 6,21,31,731 | 612.23 |
| 2018 | 1160.30 | November 02, 2017 | 86,727 | 10,02,78,879 | 556.65 | April 18,2017 | 30,782 | 1,71,67,339 | 846.61 |

*(Source: www.nseindia.com)*

*Notes:*
*High, low and average prices are based on the daily closing prices.*
*In case of two days with the same high or low price, the date with the high volume has been considered.*

**Market Prices for the last six calendar months**

The total number of days trading during the past six months, from February 2020 to July 2020 was 113. The average volume of Equity Shares traded on the BSE was 89,961 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

a) BSE Limited

| Month | Date of high | High (₹)* | Volume (No. of shares) | Total volume traded on date of high (in ₹) | Date of low | Low (₹)* | Volume (No. of shares) | Total volume traded on date of low (in ₹) | Average price for the month (₹)** |
|---|---|---|---|---|---|---|---|---|---|
| July 2020 | July 01, 2020 | 117.25 | 350 | 41,047 | July 31, 2020 | 99.65 | 2,391 | 2,40,196 | 108.27 |
| June 2020 | June 08, 2020 | 132.75 | 1,409 | 1,87,962 | June 01, 2020 | 107.50 | 986 | 1,04,004 | 122.28 |
| May 2020 | May 04, 2020 | 118.00 | 12 | 1,482 | May 08, 2020 | 105.00 | 926 | 1,02,140 | 110.44 |
| April 2020 | Apr 24, 2020 | 124.80 | 1,635 | 2,04,048 | April 01, 2020 | 73.30 | 15 | 1,099 | 102.36 |
| March 2020 | Mar 02, 2020 | 122.85 | 477 | 57,459 | March 24, 2020 | 66.00 | 129 | 8,514 | 85.60 |
| February 2020 | Feb 01, 2020 | 140.15 | 612 | 85,018 | February 28, 2020 | 120.15 | 239 | 28,786 | 130.76 |

*(Source: www.bseindia.com)*
** High and low prices are based on the high and low of the daily closing prices.*
***Average of the daily closing prices.*

b) National Stock Exchange of India Limited

The total number of days trading during the past six months, from February 2020 to July 2020 was 123. The average volume of Equity Shares traded on the NSE was 1206964 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

| Month | Date of high | High (₹)* | Volume (No. of shares) | Total volume traded on date of high (in ₹) | Date of low | Low (₹)* | Volume (No. of shares) | Total volume traded on date of low (in ₹) | Average price for the month (₹)** |
|---|---|---|---|---|---|---|---|---|---|
| July 2020 | July 01, 2020 | 116.95 | 10,179 | 11,89,011 | July 31, 2020 | 100.90 | 90,121 | 91,04,496 | 108.27 |
| June 2020 | June 08, 2020 | 131.40 | 18,691 | 24,99,815 | June 01, 2020 | 108.45 | 5,050 | 5,50,915 | 122.99 |
| May 2020 | May 04, 2020 | 116.60 | 9,150 | 10,53,496 | May 08, 2020 | 104.50 | 7,004 | 7,61,102 | 109.30 |
| April 2020 | April 24, 2020 | 125.70 | 12,450 | 15,70,747 | April 01, 2020 | 75.30 | 58,937 | 44,37,493 | 101.01 |
| March 2020 | March 02, 2020 | 116.50 | 5,382 | 6,53,774 | March 24, 2020 | 66.20 | 1,624 | 1,08,254 | 82.82 |
| Februar y 2020 | February 01, 2020 | 138.70 | 1,933 | 2,68,679 | February 28, 2020 | 119.40 | 5,615 | 6,77,336 | 130.65 |

*(Source: www.nseindia.com)*
** High and low prices are based on the high and low of the daily closing prices.*
***Average of the daily closing prices.*

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on November 11, 2019. The high and low prices of our Company's shares as quoted on the BSE and NSE on November 13, 2019*, the day on which the trading happened immediately following the date of the Board meeting is as follows:

| Date | Volume (No of equity Shares) | Highest Price (₹) | Low price (₹) |
|---|---|---|---|
| BSE | | | |
| November 13, 2019* | 177 | 119.35 | 119.35 |
| NSE | | | |
| November 13, 2019* | 1148 | 119.60 | 119.60 |

*Source: www.nseindia.com and www.bseindia.com*
**November 12, 2019 was holiday, so we have taken November 13, 2019 as the day on which trading happened immediately following the date of Board Meeting.*

## SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, or Promoters; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, or Promoters; or (iii) claim involving our Company, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be "material" pursuant to the materiality policy approved by our Board in its meeting held on July 30, 2020 ("**Materiality Policy**") (as disclosed herein below).*

*In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:*

*A. involving our Company, Promoters, Directors and Group Companies:*

*i. where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of (i) 5 percent of the profit after tax of our Company in the most recently completed Fiscal as per the Restated Financial Information which amounts to ₹ 115.25 lakhs. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company, in any such pending litigation proceeding is in excess of ₹ 115.25 lakhs (being 5 per cent of the profit after tax of our Company for the Fiscal 2020 as per the Restated Financial Information); and*

*ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company have been considered "material";*

*B. involving our Directors and our Promoters (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.*

*Further, except as disclosed in this section, there are no (i) disciplinary action taken against any of our Promoters by SEBI or the Stock Exchange in the five Fiscals preceding the date of this Draft Letter of Offer; and (ii) litigation involving our Group Companies which may have a material impact on our Company.*

*Further, in accordance with the Materiality Policy, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom the Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds 10 per cent of the total trade payables of our Company as per the most recently completed Fiscal as per the Restated Financial Information. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 957.85 lakhs (being approximately 10 per cent. of total trade payables of our Company as at March 31, 2020 as per the Restated Financial Information) ("**Material Dues**"). Further, in accordance with the Materiality Policy for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**") will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

*Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.*

### 1. LITIGATION INVOLVING OUR COMPANY

#### i. Litigation against our Company

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

*(₹ in lakhs)*

| Particulars | Number of cases | Amount involved* |
|---|---|---|
| ***Indirect Tax*** | | |
| Sales Tax/VAT | Nil | Nil |
| Central Excise | 02 | 85.32 |
| Customs | 01 | 27.55 |
| Service Tax | Nil | Nil |
| **Total** | **03** | **112.87** |
| ***Direct Tax*** | | |
| Cases filed against our Company | 01 | Not quantifiable |
| Cases filed by our Company | 01 | Nil |
| **Total** | **02** | **-** |

**To the extent quantifiable*

4. *Other Material Litigations*

*Nil*

**ii. Litigation by our Company**

1. *Criminal Proceedings*

a) A criminal complaint bearing number 21059 of 2018 was filed by our Company before the Hon'ble Additional Chief Metropolitan Magistrate in the Negotiable Instrument Court at Ahmedabad against M/s. Meenakshi Distributors and its official signatory Mukesh Kumar (the "**Accused**") under Section 138 read with 141 of the Negotiable Instruments Act, 1881 (the complaint hereinafter referred to as the "**Complaint**") for dishonor of cheque issued for the goods supplied by our Company for an amount of ₹ 40.11 lakhs. The Accused has filed a miscellaneous criminal application bearing number 3999 of 2019 before the Hon'ble High Court of Gujarat at Ahmedabad under Section 482 of the Criminal Procedure Code, 1973 (the "**Application**") praying that an order be passed to (i) stay the proceedings of the Complaint pending before the Hon'ble Additional Chief Metropolitan Magistrate and (ii) quash the stay the Complaint filed by our Company. The Application has been filed on the grounds *inter alia* that the cheque was deposited by our Company without obtaining a previous consent of the Accused and the quality of the goods supplied by our Company to the Accused were substandard and the goods which were returned to us were never accounted into. As of date, the Criminal Complaint and the Application are pending before the respective authorities.

b) A complaint bearing number 1520 of 2019 was filed by our Company before the Additional Civil Judge Senior Division J.M.F.C. at Chikmagalur against M/s. Kalpataru Marketing and its official signatory Kalpatarau Sha (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 and Section 200 of the Criminal Procedure Code, 1973 (the complaint hereinafter referred to as the "**Complaint**") for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 18.01 lakhs. The Complaint is pending before the Additional Civil Judge Senior Division J.M.F.C. at Chikmagalur.

c) A criminal case bearing number 7969 of 2018 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against Heera Prelam Industries Private Limited and its official signatory Kuldip Kaur and Singh Malkit (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 23.92 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

d) A criminal case bearing number 11124 of 2018 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against Nutech Office Systems Private Limited and its its official signatory Akhalesh Singh and Abdhesh Kumar (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 13.42 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

e) A criminal case bearing number 2702129 of 2016 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Plywood Home and its official signatory Alaparthi Lakshmi Tirupatama (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 3.60 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused. Presently, the criminal case has become dormant in nature, however the case is still pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

f) A criminal case bearing number 2403 of 2017 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Tribal Krafts and through its official signatory Pawan Jain (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 4.49 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

g) A criminal case bearing number 75416 of 2019 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Afra Infra through its official signatory Taherali Sayed (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 3.65 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

h) A criminal case bearing number 34465 of 2019 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Manasi Enterprises through its official signatory Raka Patel (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 11.51 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

i) A criminal case bearing number 112492 of 2019 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Vinusha Panels and its managing partner Venkata Rama Narsimha Reddy Bathula (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 2.75 lakhs. The Hon'ble Additional Chief Metropolitan

Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

j) A criminal case bearing number 3000438 of 2016 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Shri Laxmi Trading Co and Anita V Dixit (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 10.13 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

k) A criminal case bearing number 36561 of 2017 was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Ravi Agency (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹1.02 lakhs. The Hon'ble Additional Chief Metropolitan Magistrate has issued process against the Accused and presently the case is pending before the Hon'ble court of Additional Chief Metropolitan Magistrate.

2. *Civil and other Material Litigations*

Nil

## 2. LITIGATION INVOLVING OUR PROMOTERS

***Cases filed against our Promoters***

1. *Criminal Proceedings*

For details of the criminal litigations filed against our Promoter, Krupesh Ghanshyambhai Thakkar, please refer to the heading titled "*Cases filed against our Group Companies- Criminal Proceedings*" in this chapter.

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Promoters***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

***Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals***

The Chief General Manager and the Adjudication Officer ("**AO**") of SEBI *vide* its order dated May 12, 2017 has held the Company, Ghanshyam Ambalal Thakkar (Promoter and Whole-time Director), Krupesh Ghanshyambhai Thakkar

(Promoter and Managing Director), Vipul Shantilal Vora (Chief Financial Officer), Hasmukh Kanubhai Modi (Company Secretary and Compliance Officer), Shankar Prasad Bhagat (Independent Director) and Harshadbhai Navnitlal Doshi (erstwhile Independent Director) liable for non disclosure of bridge loans amounting to ₹ 594 lakhs in the Offer Documents filed for the initial public offer of our Company.

As per the order, any loans or financial arrangement that are sought to be repaid from out of the public issue proceeds need to be disclosed in terms of Regulations 57 and 60(4) of SEBI (ICDR) Regulations, 2009 and in our case, repayment of bridge loans was a material development considering as it constituted 14.54% of the size of initial public offering of our Company. The AO imposed a penalty of ₹ 07 lakhs on our Company and the aforementioned officers under Section 15HB of the SEBI Act, 1992 for violation of Regulation 57(1) and 57(2)(a) of the SEBI (ICDR) Regulations, 2009. The Company and the aforesaid individuals have paid the said penalty amount aggregating to ₹ 07 lakhs to SEBI on May 23, 2017 in accordance with the order.

## 3. LITIGATION INVOLVING OUR DIRECTORS

***Cases filed against our Directors***

1. *Criminal Proceedings*

For details of the criminal litigations filed against our Director, Krupesh Ghanshyambhai Thakkar, please refer to the heading titled "*Cases filed against our Group Companies- Criminal Proceedings*" in this chapter.

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Directors***

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

## 4. LITIGATION INVOLVING OUR SUBSIDIARY

As on the date of filing of this Draft Letter of Offer, our Company does not have a subsidiary.

## 5. LITIGATION INVOLVING OUR GROUP COMPANIES

***Cases filed against our Group Companies***

1. *Criminal Proceedings*

A criminal case bearing number 4546 of 2014 has been filed by the State of Gujarat on behalf of Dinesh Raghunathrai Gakhar (the "**Complainant**") before the court of Hon'ble Additional Chief Judicial Magistrate at Gandhidham, Kutch under sections 406, 420 and 114 of the Indian Penal Code, 1860 against our Group Company, Shri Krupa Decorative Veneer Private Limited, our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar, the director of our Group Company, Suresh Kumar Nopchand Poddar and Nitin Surendra Buke, an employee of our Group Company (collectively referred to as the "**Accused**" or the "**Applicant**"). The case was filed by the Complainant alleging that our Group Company has not paid the rent due for the godown which was taken on a leave and license basis from the Complainant, it has also been alleged that the government taxes which the Accused were liable to pay as per the leave and license agreement has not been paid. Further, the Complainant has also stated that the employees of our Group Company have damaged his godown.

The Accused have filed a criminal miscellaneous application bearing number 28143 of 2017 before the Hon'ble High Court of Gujarat challenging the criminal case filed by the Complainant denying the allegations levied against them. The application has been filed on the grounds that *inter alia* (i) the case filed does not qualify the necessary ingredients prescribed under sections 406, 420 and 114 of the Indian Penal Code, 1860, therefore the case is a civil case of breach of contract. Further, the Applicant had originally filed a civil suit bearing number 68 of 2013 before the Hon'ble Additional Chief Judicial Magistrate at Gandhidham, Kutch for seeking declaration and permanent injunction against the Complainant who had filed a counter claim in the said suit. The filing of the suit and the counter claim clarifies that the case is inherently civil in nature. (ii) the Applicant had been paying the rent regularly and in the year 2013 had vacated the godown since, the Complaint was unable to find a tenant for the said godown a case for repairing cost and additional rent has been fabricated against the Applicant. The Applicant *vide* this application has prayed the Hon'ble High Court to pass an order for (i) staying the proceedings filed under the criminal case by the Complainant and (ii) quashing the impugned criminal case. The Hon'ble High Court of Gujarat *vide* its order dated February 26, 2018 has granted an ad-interim stay on the proceedings of the criminal case filed against our Company until the hearing and disposal of the miscellaneous application. Presently, the criminal case, the civil suit and the miscellaneous criminal application are pending before the respective judicial authorities.

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Nil

4. *Other Material Litigations*

Nil

***Cases filed by our Group Companies***

1. *Criminal Proceedings*

a) A criminal case bearing number 15943 of 2020 was filed by our Group Company, Surya Panel Private Limited before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against M/s. Finesse Floors Inc. through its proprietor, Ms. Sonia (the "**Accused**") under Section 138 of the Negotiable Instrument Act, 1881 (the complaint hereinafter referred to as the "**Complaint**") for dishonor of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 6.70 lakhs. The Complaint is presently pending.

2. *Other Material Litigations*

Nil

## 6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated July 30, 2020, our Company has no material creditors, as on March 31 2020.

As on March 31, 2020, the details of amounts outstanding towards small scale undertakings and other creditors are as follows:

*(₹ in lakhs)*

| Particulars | No. of Creditors | Amount |
|---|---|---|
| Outstanding dues to small scale undertakings | 32 | 534.38 |
| Outstanding dues to other creditors | 667 | 9,150.59 |
| **Total outstanding dues** | **699** | **9,684.97** |

Since, our Company does not has any material creditors as on March 31, 2020, we do not require to publish the details of our outstanding dues to our material creditors on our website. For further details, refer to the section titled *"Financial Information"* on page 171 of this Draft Letter of Offer.

## 7. MATERIAL DEVELOPMENT SINCE MARCH 31, 2020.

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 172 of this Draft Letter of Offer.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained 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. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter "Key Industrial Regulations and Policies" on page 124 of this Draft Letter of Offer. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.*

*The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:*

### *I. Issue related Approvals*

For the approvals and authorizations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 223 of this Draft Letter of Offer.

### *II. Approvals from the Stock Exchanges*

a) Our Company has received an in-principle approval from the NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.

b) Our Company has received an in-principle approval from the BSE dated [●] for listing of Equity Shares issued pursuant to the Issue.

### *III.General Approvals*

a) Certificate of Incorporation dated May 24, 1993 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat.

b) Certificate of Incorporation dated December 04, 2007 under the Companies Act, 1956 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, consequent upon change of name to "*Rushil Décor Limited*" on conversion to public limited company.

c) Letter dated October 14, 2016 issued by the sub-regional office of Employees' State Insurance Corporation, Mysore allotting code number 73000348520000999 to our Company for its manufacturing unit situated at plot no. 58,59 and 60, Phase-II, Amble Industrial Area, Amble under the Employee State Insurance Act, 1948.

d) Letter dated February 28, 2018 issued by the sub-regional office of Employees' State Insurance Corporation, Mysore allotting code number 73730348520010999 to our Company for its manufacturing unit situated at Chikmagalur, Karnataka (Ambale) under the Employee State Insurance Act, 1948.

e) Provident Fund Code Intimation Letter dated March 13, 2015 issued by Employees Provident Fund Organization under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 intimating the code number GJAHD0014368000 to the Company.

f) Industrial Entrepreneurs Memorandum dated November 28, 2017 filed for registration bearing entrepreneurs memorandum number 1780/SIA/IMO/2017 issued by Ministry of Commerce and Industry, Industrial Entrepreneur's Memorandum Section for the manufacture of medium density fibre board and prelam MDF board falling under the description of 'manufacture of particle board and fibreboard including densified wood.

g) Certificate of Importer-Exporter Code dated October 04, 1993 bearing IEC number 0893008401 issued by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.

***IV. Tax Related Approvals***

a) Our Company's Permanent Account Number dated May 24, 1993 issued by the Income Tax Department is AABCR3005N.

b) Our Company's Tax Deduction and Collection Number dated July 08, 2002 issued by the Income Tax Department is AHMR01041F.

c) Profession Tax Payer Registration Certificate (Chikmagalur) bearing registration number 308477136 issued by the Commercial Tax Officer, under the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976.

d) Profession Tax Payer Registration Certificate (Gandhinagar) bearing registration number RCN602000012 dated September 05, 2008 issued under the Gujarat State Tax on Profession, Trade, Calling and Employment Act, 1976.

e) Profession Tax Payer Enrollment Certificate (Ahmedabad) bearing registration number PEC010657001032 dated December 27, 2018 issued by Professional Tax Department, Ahmedabad under the Gujarat State Tax on Profession, Trade, Calling and Employment Act, 1976.

f) Registration certificate of Goods and Services Tax (Gujarat) bearing registration number 24AABCR3005N1ZK dated July 11, 2019 issued by the Government of India.

g) Registration certificate of Goods and Services Tax (Delhi) bearing registration number 07AABCR3005N1ZG dated June 26, 2018 issued by the Government of India.

h) Registration certificate of Goods and Services Tax (Chandigarh) bearing registration number 04AABCR3005N1ZM dated September 21, 2017 issued by the Government of India.

i) Registration certificate of Goods and Services Tax (Telangana) bearing registration number 36AABCR3005N1ZF dated September 23, 2017 issued by the Government of India.

j) Registration certificate of Goods and Services Tax (Lucknow) bearing registration number 09AABCR3005N1ZC dated September 21, 2017 issued by the Government of India.

k) Registration certificate of Goods and Services Tax (Punjab) bearing registration number 03AABCR3005N1ZO dated September 20, 2017 issued by the Government of India.

l) Registration certificate of Goods and Services Tax (West Bengal) bearing registration number 19AABCR3005N1ZB dated November 12, 2019 issued by the Government of India.

m) Registration certificate of Goods and Services Tax (Maharashtra) bearing registration number 27AABCR3005N1ZE dated April 16, 2018 issued by the Government of India.

n) Registration certificate of Goods and Services Tax (Rajasthan) bearing registration number 08AABCR3005N1ZE dated November 30, 2018 issued by the Government of India.

o) Registration certificate of Goods and Services Tax (Karnataka) bearing registration number 29AABCR3005N1ZA dated August 01, 2019 issued by the Government of India.

p) Registration certificate of Goods and Services Tax (Andhra Pradesh) bearing registration number 37AABCR3005N1ZD dated April 30, 2019 issued by the Government of India.

## *V. Business Related Approvals*

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

*1. Manufacturing unit situated at plot no. 608, GIDC, Mansa District, Gandhinagar*

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 1. | License to work a factory | Deputy Director, Industrial Safety & Health, Gandhinagar | License No: 30896 Registration No: 2048/17099/1987 | April 01, 2019 | December 31, 2023 |
| 2. | Certificate for use of a smoke cum water tube boiler at Plot No. 607, 608, GIDC, Mansa District, Gandhinagar at a maximum pressure of 16.25 kg/cm2 (g) | Assistant Director of Boiler, Gujarat Boiler Inspection Department | GT-7853 | November 28, 2019 | November 26, 2020 |
| 3. | Consent to Establish for expansion/ addition in existing industrial plant or activities. | Gujarat Pollution Control Board | CTE Number: 101614 | May 15, 2019 | April 14, 2026 |
| 4. | Consolidated Consent and Authorisation for the use of outlet for the discharge of trade effluent and emission due to operation of industrial plant under the provisions of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment Protection Act, 1986. | Gujarat Pollution Control Board | CCA Number: AWH-103205 CCA Amendment Number: 104995 | November 13, 2019 | August 07, 2029 |
| 5. | Memorandum for the manufacture of laminated sheets falling under the description of 'manufacture of other paper and paper board articles' at 608, GIDC, Mansa, Gandhinagar | Ministry of Commerce and Industry, Public Relations and Complaints Sections. | 3557/SIA/IMO/2007 | December 13, 2007 | - |
| 6. | Membership certificate issued by Saurashtra Enviro Projects Private Limited for integrated common hazardous waste management facility. | Director, Saurashtra Enviro Projects Private Limited | 1200002331 | May 01, 2017 | April 30, 2022 |
| 7. | Fire Safety Certificate | T.R. Patel, Chartered Engineer | - | November 06, 2012 | - |

2. *RHPL manufacturing unit situated at Serial No. 125 Kalyanpura Patiya*

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 1. | License to work a factory | Deputy Director, Industrial Safety & Health, Gandhinagar | License No: 24708 Registration No: 1535/20211/2003 | April 01, 2019 | December 31, 2021 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 2. | Certificate for use of smoke cum water tube Boiler at a maximum pressure of 17.58 kg/cm2 (g) | Assistant Director of Boiler, Gujarat Boiler Inspection Department | GT-4688 | December 30, 2019 | December 30, 2020 |
| 3. | Consent to establish under Section 25 of the Water Act, 1974 and Section 21 of the Air Act, 1981. | Gujarat Pollution Control Board | CTE Number: 100952 | April 22, 2019 | March 06, 2026 |
| 4. | Consolidated Consent and Authorisation for the use of outlet for the discharge of trade effluent and emission due to operation of industrial plant under the provisions of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986. | Gujarat Pollution Control Board | CCA Number: AWH-37767 | August 08, 2019 | August 12, 2029 |
| 5. | Membership certificate issued by Saurashtra Enviro Projects Private Limited for integrated common hazardous waste management facility. | Director, Saurashtra Enviro Projects Private Limited | 1200000849 | January 22, 2019 | January 21, 2024 |
| 8. | Memorandum for the manufacture of laminated sheets falling under the description of 'manufacture of other paper and paper board articles' | Ministry of Commerce and Industry, Public Relations and Complaints Sections. | 3558/SIA/IMO/2007 | December 13, 2007 | - |

3. *Manufacturing unit satiated at Dholakuva, Mansa, Gandhinagar*

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 1. | License to work a factory | Deputy Director, Industrial Safety & Health, Gandhinagar | License No: 24709 Registration No: 1536/26991/1999 | April 01, 2019 | December 31, 2021 |
| 2. | Certificate for use of a smoke cum water tube boiler at a maximum pressure of 17.50 kg/cm2 (g) | Assistant Director of Boiler, Gujarat Boiler Inspection Department | GT-5168 | January 20, 2020 | January 18, 2021 |
| 3. | Consent to establish for expansion or addition in the existing industrial plants or activities under the provisions of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Environment (Protection) Act, 1986. | Gujarat Pollution Control Board | CTE No: 100944 | April 22, 2019 | March 10, 2026 |
| 4. | Consolidated Consent and Authorisation for the use of | Gujarat Pollution Control Board | AWH-103294 | August 01, 2019 | August 07, 2029 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| | outlet for the discharge of trade effluent and emission due to operation of industrial plant | | Certificate No.: GPCB/CCA-GNR-168(3)/ID-16509 | | |
| 5. | Memorandum for the manufacture of laminated sheets falling under the description of 'manufacture of other paper and paper board articles'. | Ministry of Commerce and Industry, Public Relations and Complaints Sections. | 3556/SIA/IMO/2007 | December 13, 2007 | - |
| 6. | Membership certificate issued by Saurashtra Enviro Projects Private Limited for integrated common hazardous waste management facility. | Director, Saurashtra Enviro Projects Private Limited | 1200000848 | January 22, 2019 | January 21, 2024 |

*4. Manufacturing unit situated at Atchutapuram, Vishakhapatnam*

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 1. | Letter permitting the Company to erect a boiler under the Boilers Act, 1923 and Indian Boiler Regulations, 1950 | Dy. Chief Inspector of Boilers, Visakhapatnam Region, Visakhapatnam | LAE19/143/2019-ZO-DCI-VSP | May 25, 2019 | - |
| 2. | Letter permitting the Company to entrust the erection work of new boiler with makers No. EP 52/1001 to M/s. Sri Vijaya Engineering Works, Rajahmundry, East Godavari District | Director of Boilers , Andhra Pradesh, | B1/1720/2019 | March 08, 2019 | - |
| 3. | Consent order for establishment to carry out manufacturing activity with approved production capacities. | Andhra Pradesh Pollution Control Board, Vishakhapatnam | 8160/APPCB/ZO-VSP/VSP/CFE/2018 | August 28, 2018 | August 27, 2025 |
| 4. | Registration with Andhra Pradesh Forest Department of the Medium Density Fibre Board Plant of the Company situated at Dibbalapalem (V), Atuchutapuram, Vishakhapatnam District under the Andhra Pradesh Forest Act, 1967. | Divisional Forest Officer, Vishakhapatnam, Government of Andhra Pradesh, Forest Department | 950/2017/S6 | September 06, 2019 | - |
| 5. | Provisional fire No Objection Certificate for the proposed Construction of multi storeyed building Plot No. 15B, 15D, 15C, 15K, 15L, APSEZ, Atchuthapuram, Vishakhapatnam district. | Director General, State Disaster Responses & Fire Services, Andhra Pradesh | 8925/VSP/MSB/2019 | August 07, 2019 | - |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 6. | Certificate of Registration of Establishment under the Andhra Pradesh (Issuance of Integrated Registration and Furnishing of combined returns and various labour laws by certain establishments) Act, 2015 | Licensing Officer, Government of Andhra Pradesh, Labour Department | AP-03-43-026-0543372 | March 01, 2018 | March 31, 2021 |
| 7. | Order issued for extension of certain incentives to the Company under Industrial Development Policy 2015-2020 to set up a manufacturing unit of medium density fibre (MDF) at Atchutapuram in Vishakapatnam. | Commissioner for Industrial Promotion, Government of Andhra Pradesh | G.O.MS No. 42 | March 13, 2017 | - |
| 8. | Sanction letter issued for extension of CMD of 200 kva with connected load of 90 k/w/120HP in favour of our Company. | Divisional Electric Engineer. Eastern Power Distribution Company of A.P. Limited | DEE/O/AKP./AE/Comml./ D.No. I/169721/2018 | June 20, 2018 | - |
| 9. | Statutory approval received under Section 54 of the Electricity Act, 2003 and Regulation 43(3) of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 for electrical installation of voltage exceeding 650 V | Director of Electrical Safety and Chief Electrical Inspector to Government, Government of Andhra Pradesh | DES&CEIG/GNT/Tec Sec/ HT/ VSP-268/ D. No. 157/ 2020<br><br>File No.: ENE02-11022/369/2019-TECH-DES | March 03, 2020 | - |
| 10. | Statutory Approval under Section 54 of Electricity Act, 2003 and Rule 4(3) of Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulation, 2010 for HV Electrical installation of voltage exceeding 650 V. | Electrical Inspector, Vishakapatnam | EI/VSP/TECH/HT-5177/VSP/D | September 02, 2018 | - |

*5. Manufacturing unit situated at Chikmagalur, Karnataka (Ambale)*

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 1. | License to work a factory for manufacturing MDF at the manufacturing unit* | Assistant Director of Factories, Department of Factories, Karnataka | 21159/8 | December 30, 2017 | December 31, 2020 |
| 2. | License to work a factory for manufacturing PVC at the manufacturing unit* | Assistant Director of Factories, Department of Factories, Karnataka | 22023/9 | December 30, 2017 | December 31, 2020 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| 3. | Certificate for use of a smoke cum water tube boiler at a maximum pressure of 12.74 kg/sq. cm. | Assistant Director Of Boiler, Shivamogga | KTK_4178 | October 05, 2019 | October 04, 2020 |
| 4. | Consent to establish new activity under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 | Karnataka State Pollution Control Board | CTE number: CTE-104698 | September 13, 2017 | September 04, 2022 |
| 5. | Combined consent for discharge of effluents under the Water (Prevention and Control of Pollution) Act , 1974 and emission under Air (Prevention and Control of Pollution)Act , 1981 | Karnataka State Pollution Control Board | CC order no.: AW-304231 PCB Id: 16816 | November 14, 2017 | September 30. 2021 |
| 6. | Authorisation by State Pollution Control Board to the occupiers, recyclers, reprocessers, reusers, user and operation of disposal facilities issued under Rule 6(2) of Authorisation under Hazardous and Other Wastes (Management and Transboundary) Rules, 2016 | Karnataka State Pollution Control Board | Authorisation No: 306418 PCB ID:16816 | June 13, 2018 | September 30, 2021 |
| 7. | Memorandum for the manufacture of Hard Board including false board and chip board (machine made). Situated at Plot No. 58/5, Amble Indl Area, Chikmagalur, Karnataka | Research Officer, Ministry of Commerce & Industry | 3834/IMO/SIA/2010 | January 25, 2017 | - |
| 8. | Certificate of Registration issued under the Contractor Labour (Regulation and Abolition) Act, 1970 | Labour Commissioner, Department of Labour | ALCCKM/CLA/P-249/2012 | October 14, 2019 | October 13, 2020 |
| 9. | Official Memorandum issued by Mangalore Electricity Supply Company Limited issued for reduction of load from 8.2 MVA to 5 MVA in the manufacturing unit. | Executive Engineer, Mangalore Electricity Supply Company Limited | EEE/AEE(O)/AET-1/F-292-95 | April 07, 2014 | - |
| 10. | Official Memorandum issued for electrical installation of 1*10MVA power transformer connected to 66KV terminal bay at 66/11KV Hiremagalore sub station and newly constructed 66KV sub station, 66/11KV sub station to the manufacturing unit. | Electrical Inspectorate, Government of Karnataka | CEIG/EI-2/AEI-2/CMG-465/25028-32/13-14 | September 25, 2013 | - |
| 11. | Clearance Certificate for industry buildings constructed at the manufacturing unit. | Chief Fire Officer, Karnataka State Fire and Emergency | 45(A)/Bldg.CC/CFO/MD/ 2014 | March 21, 2019 | March 20, 2021 |

| Sr. No. | Type of License/Approval | Issuing Authority | Reference / Registration / License No. | Date of Issue/Renewal | Valid up to |
|---|---|---|---|---|---|
| | | Services, Mangalore | | | |
| 12. | Electrical Safety Approval for electric installation comprising of 1 * 2.5 MVA, 11KV/415V transformer, 2 *2.5MVA, 11KV/380V Transformer and its connected load 560KW HT Motor and 1 * 500KVA, 415V DG set at the manufacturing unit issued under the Central Electricity Authority (Measures relating to safety and electric supply) Regulations, 2010. | Chief Electrical Inspector, Government of Karnataka | CEIG/ACEI/EI-2AP1-4/95588 90 / 16-17<br><br>RR No: CMG-786 | October 05, 2016 | - |
| 13. | License for renewal for establishing and running a saw-pit, saw-mill or other sawing contrivance issued under the Karnataka Forest Rules, 1969 at the manufacturing unit situated at Chikmagaluru | Forest Officer, Deputy Conservator of Forests, Chikmagaluru division. | A1- 30071 | June 02, 2020 | March 31, 2025 |

**Since we manufacture MDF and PVC in our manufacturing unit situated at Chikmagalur, separate licenses under the Factories Act, 1948 have been availed for manufacturing both the products at our manufacturing unit.*

### *VI. Quality Related Approvals*

Our Company has received the following quality certifications for our quality management, details of which are given below:

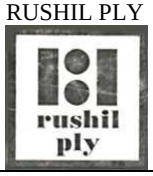
| Sr. No. | Type of License / Approval | Issuing Authority | Registration No. | Date of Issue | Valid upto |
|---|---|---|---|---|---|
| 1. | Certificate of Registration issued to certify that the management system of the Company has been approved by Alcumus ISOQAR and is compliant with requirements of ISO 9001: 2015 & ISO 14001: 2015. | Technical Director, Alcumus ISOQAR | 6478-Q15-001<br>6478-E15-001 | November 06, 2019 | October 08, 2022 |
| 2. | Certificate of Registration to approve the management system of Company and it being compliant with requirements of ISO 45001: 2018 | Technical Director, Alcumus ISOQAR | 6478-OHS-001 | November 06, 2019 | October 08, 2022 |
| 3. | License issued for product details Prelaminated Medium Density Fibre Board. ISO 14587 : 1998 for Chikkamangluru, Karnataka | Scientist-C, Bureau of Indian Standards | CM/L-6200030374 | August 06, 2019 | August 05, 2020 |

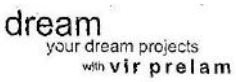
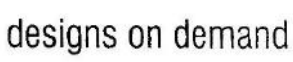
### *VII. Intellectual Property Related Approvals*

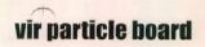
**a) Trademark:**

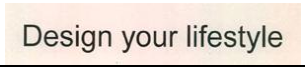
i. Our Company owns the following trademark:

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| 1. | VIR LAMINATES | 772857 | 20 | October 22, 2027 |

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| | | | | |
| 2. | YOU DREAM THE SHADE WE HAVE THAT SHADE | 918062 | 20 | April 13, 2030 |
| 3. | VIR MARINE PLY (VR) | 971197 | 19 | November 16, 2030 |
| 4. | VIR (DEVICE) VIR WOOD | 971198 | 19 | November 16, 2030 |
| 5. | VIR PRELAM (VR) | 971199 | 19 | November 16, 2030 |
| 6. | VIR BOARD (VR) | 971201 | 19 | November 16, 2030 |
| 7. | RUSHIL PRELAM | 971202 | 19 | November 16, 2030 |
| 8. | RUSHIL BOARD | 971203 | 19 | November 16, 2030 |
| 9. | RUSHIL PLY   | 971204 | 19 | November 16, 2030 |
| 10. | VIR B.W.P. PLY (VR) | 971205 | 19 | November 16, 2030 |
| 11. | SIGNOR | 1211294 | 19 | July 03, 2023 |
| 12. | SHAPING TECHNO SERIES | 1359860 | 19 | May 27, 2025 |
| 13. | VIR MDF WITH VR | 1359861 | 19 | May 27, 2025 |
| 14. | TWO TONE SERIES | 1359862 | 19 | May 27, 2025 |

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| 15. | METAL BOND SERIES | 1359863 | 19 | May 27, 2025 |
| 16. | TOUCH & FEEL SERIES | 1359864 | 19 | May 27, 2025 |
| 17. | MASTER SERIES | 1431926 | 19 | March 20, 2026 |
| 18. | ILLUSION | 1431927 | 19 | March 20, 2026 |
| 19. | TERRIFIC DESIGNS-TIMELESS BEAUTY | 1431928 | 19 | March 20, 2026 |
| 20. | MAKE YOUR LIVING SPACE HEAVEN | 1431929 | 19 | March 20, 2026 |
| 21. | DREAM YOUR DREAM PROJECT WITH VIR PRELAM   | 1431930 | 19 | March 20, 2026 |
| 22. | DREAM YOUR DREAM PROJECTS WITH VIR LAMINATE | 1431931 | 19 | March 20, 2026 |
| 23. | DESIGNS ON DEMAND   | 1431932 | 19 | March 20, 2026 |
| 24. | VIR LAMINATE (VR) | 1431933 | 19 | March 20, 2026 |
| 25. | VIR PRELAM (VR) | 1431934 | 19 | March 20, 2026 |
| 26. | VIR KLIK (VR) | 1431935 | 19 | March 20, 2026 |
| 27. | RUSHIL DÉCOR PVT.LTD | 1431936 | 19 | March 20, 2026 |
| 28. | RUSHIL | 1431937 | 19 | March 20, 2026 |

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| | | | | |
| 29. | RUSHIL DÉCOR | 1431938 | 19 | March 20, 2026 |
| 30. | RUSHIL INTERNATIONAL | 1431939 | 19 | March 20, 2026 |
| 31. | VIR VENEER (VR) | 1702053 | 19 | June 23, 2028 |
| 32. | VIR DECORATIVE PLYWOOD(VR) | 1702054 | 19 | June 23, 2028 |
| 33. | SIGNOR | 1819739 | 19 | May 19, 2029 |
| 34. | VIR BOARD (VR) | 1897121 | 19 | December 17, 2029 |
| 35. | VIR LAMINATE (VR) | 1897122 | 19 | December 17, 2029 |
| 36. | RUSHIL DECOR LIMITED | 2188968 | 19 | August 10, 2021 |
| 37. | VIR MDF | 2188969 | 19 | August 10, 2021 |
| 38. | VIR PRIMELAM(VR) | 2188970 | 19 | August 10, 2021 |
| 39. | VIR PLY WITH DEVICE OF AIRROW AND BOW | 2534342 | 19 | May 20, 2023 |
| 40. | VIR PARTICLE BOARD WITH DEVICE OF AIROOW AND BOW  | 2534343 | 19 | May 20, 2023 |
| 41. | VIR VENEER WITH DEVICE OF AIROOW AND BOW | 2534344 | 19 | May 20, 2023 |

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| 42. | VIR PLYWOOD WITH AIRROW AND BOW | 2534345 | 19 | May 20, 2023 |
| 43. | VIR PRELAM WITH DEVICE OF ARROW AND BOW | 2534346 | 19 | May 20, 2023 |
| 44. | DESIGN YOUR LIFESTYLE   | 2534347 | 19 | May 20, 2023 |
| 45. | VIR SLEEK | 2956175 | 19 | May 05, 2025 |
| 46. | SIGNOR PRELAM | 3328266 | 19 | August 04, 2026 |
| 47. | SIGNOR MDF | 3328267 | 19 | August 04, 2026 |
| 48. | VIR LAMINATE | 3568509 | 19 | June 12, 2027 |
| 49. | SYNC SERIES | 3699103 | 19 | December 09, 2027 |
| 50. | VIR DOOR | 3699104 | 19 | December 09, 2027 |
| 51. | VIR HDF | 3699105 | 19 | December 09, 2027 |
| 52. | VIR PVC | 3707737 | 17 | December 20, 2027 |
| 53. | VIR PVC | 3707738 | 19 | December 20, 2027 |
| 54. | VIR WPC | 3707739 | 17 | December 20, 2027 |
| 55. | VIR WPC | 3707740 | 19 | December 20, 2027 |
| 56. | VIR 90° | 3717674 | 17 | January 02, 2028 |
| 57. | VIR 90° | 3717675 | 19 | January 02, 2028 |
| 58. | H2 | 3778319 | 19 | March 14, 2028 |
| 59. | VIR EXT-LAM | 3790254 | 19 | March 27, 2028 |

| S. No. | Particulars of the mark | Number | Class | Valid upto |
|---|---|---|---|---|
| 60. | VIR HDFWR | 4125821 | 19 | March 22, 2029 |
| 61. | VIR LOGO (green) | 4229935 | 17 | July 09, 2029 |
| 62. | VIR LOGO (black and white) | 4229936 | 17 | July 09, 2029 |
| 63. | RUSHIL | 4229944 | 19 | July 09, 2029 |
| 64. | VIR LOGO ( BLUE ) | 4229940 | 17 | July 09, 2029 |
| 65. | VIR LOGO | 4229941 | 19 | July 09, 2029 |
| 66. | VIR LOGO | 4229942 | 19 | July 09, 2029 |
| 67. | VIR LOGO | 4229943 | 19 | July 09, 2029 |
| 68. | RUSHIL | 4229937 | 17 | July 09, 2029 |
| 69. | RDL LOGO | 4229938 | 17 | July 09, 2029 |
| 70. | RDL LOGO | 4229945 | 19 | July 09, 2029 |

ii. The following trademark of the Company has been opposed:

| Sr. No. | Particulars of the mark | Trademark No. | Class | Date of Application |
|---|---|---|---|---|
| 1. | VIR PLYWOOD (VR) | 971200 | 19 | November 16, 2000 |

iii. The following trademark of the Company has been objected:

| Sr. No. | Particulars of the mark | Trademark No. | Class | Date of Application |
|---|---|---|---|---|
| 1. | BANAO APNA JAHAAN | 4229939 | 17 | July 09, 2019 |

iv. Our Company has made the following applications for the registration of trademarks, and the same are pending:

| Sr. No. | Particulars of the mark | Application No. | Class | Date of Application |
|---|---|---|---|---|
| 1. | THE POWER OF NEW GENERATION<br>THE POWER OF NEW GENERATION | 3816573 | 19 | April 25, 2018 |
| 2. | THE POWER OF NEW GENERATION<br>THE POWER OF NEW GENERATION | 3816572 | 17 | April 25, 2018 |
| 3. | BANAO APNA JAHAAN<br>Banao apna jahaan | 4229946 | 19 | July 09 2019 |

v. Our Company has made the following applications for renewal, and the same are pending :

| Sr. No. | Particulars of the mark | Trademark No. | Class | Date of Application |
|---|---|---|---|---|
| 1. | DEVICE OF MAN WITH BUILDING MATERIAL<br> | 1214356 | 17 | May 13 2014 |
| 2. | DEVICE OF MAN WITH BUILDING MATERIAL<br> | 1214357 | 19 | May 13 2014 |

vi. Our Company has not applied for renewal of the following trademarks:

| Sr. No. | Particulars of the mark | Trademark No. | Class |
|---|---|---|---|
| 1. | CONCEPT IN THE NEW MILLANIUM<br>CONCEPT IN THE NEW MILLANIUM | 918061 | 20 |

vii. Our Company has entered into an agreement dated November 13, 2017 with one of our Group Companies, Vir Studdio Private Limited (One Person Company) for the use of their trade mark and brand name "Vir Studdio" on the payment of an annual royalty of ₹ 01 lakh per annum. The agreement is renewable on a year-on-year basis unless either of the parties terminate it.

The details of the trademark are as follows:

| Sr. No. | Particulars of the mark | Trademark No. | Class | Valid upto |
|---|---|---|---|---|
| 1. | VIR STUDDIO<br>vir studdio | 2534340 | 41 | May 20, 2023 |

**b) Copyright:**

i. Our Company owns the following copyright:

| S. No. | Diary Number | Class of Work | Particulars of work |
|---|---|---|---|
| 1. | 4960/2019-CO/A | Artistic | SIGNOR |
| 2. | 4970/2019-CO/A | Artistic | VIR LAMINATE |
| 3. | 4973/2019-CO/A | Artistic | Rushil Decor Limited |
| 4. | 5014/2019-CO/A | Artistic | VIR PRIMELAM |
| 5. | 5016/2019-CO/A | Artistic | SURYA PANEL |
| 6. | 5027/2019-CO/A | Artistic | VIR STUDDIO |

ii. Our Company has made the following applications for registration :

| S. No. | Diary Number | Class of Work | Particulars of work |
|---|---|---|---|
| 1. | 4982/2019-CO/A | Artistic | VIR MDF |
| 2. | 5007/2019-CO/A | Artistic | VIR PRELAM |

***VIII. Licenses/ Approvals for which applications have been made and are pending:***

Our company has made following applications requesting for renewed certificates/approvals:

*Nil*

***IX. Licenses / approvals which have expired and for which renewal applications have not been made by our Company.***

a) The registration certificates issued under the Contract Labour (Regulation & Abolition) Act 1970 obtained by our Company for our manufacturing units situated at plot no. 607, 608, GIDC, Mansa District, Gandhinagar and for our manufacturing unit situated as Dhaulakuva, Mansa have expired and our Company has not applied for its renewal; and

b) The quality certificate issued by the Bureau of Indian Standards for our product, decorative thermosetting synthetic resin bonded laminated sheets for our manufacturing unit situated at 608, GIDC Mansa, Gujarat has expired on June 25, 2020 and our Company has not applied for its renewal.

***X. Licenses / Approvals which are required but not yet applied for:***

Our Company is required to apply for the following licenses or approvals, however has not yet applied for them:

a) license to work as a factory under the Factories Act, 1948 and rules made thereunder for our manufacturing unit situated at Atchutapuram, Vishakhapatnam;

b) membership of a third party disposal facility for managing the waste generated from our manufacturing unit situated at Atchutapuram, Vishakhapatnam;

c) fire no-objection certificate for all our manufacturing units;

d) electrical safety approval certificate under the Central Electricity Authority (Measures relating to safety and electric supply) Regulations, 2010 for the DG set installed at our manufacturing units situated in Gujarat and Andhra Pradesh;

e) contract labour registration certificate under the Contract Labour (Regulation & Abolition) Act 1970 for our RHPL manufacturing unit situated in Gandhinagar;

f) consent for operation and Authorisation under the hazardous and other waste (management and transboundary movements) Rules, 2016 for our manufacturing unit situated at Atchutapuram, Vishakhapatnam;

g) license for establishing and running a saw-pit, saw mill and sawing contrivance for our manufacturing unit situated at Atchutapuram, Vishakhapatnam;

h) professional Tax (enrolment) certificates issued by the concerned statutory authorities for our manufacturing units situated in Chikmagalur and Gandhinagar;

i) professional Tax (registration) certificate issued by Professional Tax Department, Ahmedabad under the Gujarat State Tax on Profession, Trade, Calling and Employment Act, 1976; and

j) registration under the Employee State Insurance Act, 1948 for our manufacturing unit situated at Atchutapuram, Vishakhapatnam.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Board, pursuant to its resolution dated November 11, 2019, authorised the Issue under Section 62(1) (c) of the Companies Act, 2013.

Our Board has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated [●] and [●] issued by BSE and NSE, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred 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. None of our Directors or Promoters are associated with the securities market in any manner. Further, except as stated below, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer:

The Adjudicating Officer of SEBI, *vide* its order dated May 12, 2017 had imposed individual penalty under Section 15HB of the SEBI Act, 1992 on our Company, our Promoter, Chairman and Whole-time Director, Ghanshyam Ambalal Thakkar, our Promoter and Managing Director, Krupesh Ghanshyambhai Thakkar, our Chief Financial Officer, Vipul Shantilal Vora, our Company Secretary and Compliance Officer, Hasmukh Kanubhai Modi, our Independent Director, Shankar Prasad Bhagat and our erstwhile Independent Director Harshadbhai Navnitlal Doshi aggregating to ₹ 7 lakhs. The penalty was imposed for non-disclosure of bridge loans amounting to ₹ 594 lakhs in the Prospectus filed by the Company, which was considered as a violation of Regulation 57(1) and 57(2)(a) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Our Company has paid the said penalty amount aggregating to ₹ 7 lakhs to SEBI on May 23, 2017 in accordance with the order of the Adjudicating Officer.

The penalty was imposed. For further details, please refer to the chapter titled "*Outstanding Litigation and Material Developments*" on page 200 of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

**Eligibility for the Issue**

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3 (b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part A of Schedule VI to the SEBI ICDR Regulations.

**Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 11, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER, WHICH READS AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   a) **THIS DRAFT LETTER OF OFFER IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   b) **ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   c) **THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

6. **WE CERTIFY THAT REGULATION 15 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.**

7. **WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.**

8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 90 OF THE SEBI ICDR REGULATIONS, AS AMENDED.**

9. **WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE "MAIN OBJECTS" IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE.**

10. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY. AS ON THE DATE OF THIS DRAFT LETTER OF OFFER, OUR COMPANY HAS NOT ISSUED ANY SR EQUITY SHARES AND THERE ARE NO OUTSTANDING SR EQUITY SHARES; AND**

    b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

11. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS, AS AMENDED WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.**

12. **WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE.**

13. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.- COMPLIED WITH.**

14. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.- COMPLIED WITH.**

**Disclaimer Clause of BSE**

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

**Disclaimer from our Company, our Directors and the LM**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.rushil.com or the respective websites of our Promoter Group or Group Companies or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager 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 the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

**Disclaimer in respect of Jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

**Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

**Listing**

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

**Selling Restrictions**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letterand the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Lettermay come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letteronly to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

**NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing a Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letterwill be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

**NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHERJURISDICTION AT ANY TIME.

**Consents**

Consents in writing of: our Directors, the Lead Manager, legal advisor, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated August 08, 2020 from our Statutory Auditors, namely, M/s. Parikh & Majmudar, Chartered Accountants for inclusion of their report, dated August 08, 2020 on the Restated Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated August 08, 2020 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

**Expert Opinion**

Our Company has received written consent dated August 08, 2020 from our Statutory Auditor, namely, M/s. Parikh & Majmudar, Chartered Accountants to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated August 08, 2020 on the Restated Financial Information and the Statement of Tax Benefits dated August 08, 2020 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by M/s. Parikh & Majmudar, Chartered Accountants, our Company has not obtained any expert opinions.

**Particulars regards previous public or rights issues by our Company during the last five years**

Our Company has not made any rights issues or any public issue during the five years immediately preceding the date of this Draft Letter of Offer.

**Commission and Brokerage paid on previous issues in the past five years**

Our Company has not paid any brokerage or commission on previous issues in the past five years.

**Capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company**

As on the date of this Draft Letter of Offer, none of our Group Companies have their equity shares listed on any stock exchanges in India or overseas. Further, presently our Company does not have any associate companies or subsidiary companies.

**Performance vis-à-vis objects – Public/Rights Issue of our Company**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

**Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates**

Our Company does not have any subsidiaries or associate companies as on the date of this Draft Letter of Offer.

**Price information of past issues handled by Saffron Capital Advisors Private Limited**

## DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

| Sr. No | Issue Name | Issue Size (Cr) | Issue Price (Rs.) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Cadsys (India) limited | 14.70 | 70 | October 04, 2017 | 84 | 40.53% | 45.59% | 9.52% |
| | | | | | | (12.52%) | (47.96%) | (2.99%) |
| 2. | Ahlada Engineers Limited | 51.075 | 150 | September 27, 2018 | 136 | (12.57%) | (6.95%) | (67.69%) |
| | | | | | | (10.09%) | (3.06%) | (5.48%) |

*Source: Price Information www.nseindia.com, Issue Information from respective Prospectus*

***Notes:***

*1. All data sourced from www.nseindia.com*

*2. Benchmark index considered is NIFTY SME EMERGE*

*3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

## SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds raised (Rs. Cr) | Nos of IPOs trading at discount on 30th Calendar day from listing date | | | Nos of IPOs trading at premium on 30th Calendar day from listing date | | | Nos of IPOs trading at discount on 180th Calendar day from listing date | | | Nos of IPOs trading at premium on 180th Calendar day from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2018 - 19 | 1 | 51.07 | - | - | 1 | - | - | - | 1 | - | - | - | - | - |
| 2019 - 20 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2020 - 21 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Track record of past issues handled by the Lead Manager**

**For details regarding the track record of the Lead Manager, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Lead Manager, i.e., www.saffronadvisor.com.**

**Stock Market Data of the Equity Shares**

Our Equity Shares are listed on BSE and NSE. Our Equity Shares are actively traded on BSE and NSE. For details in connection with the stock market data of the BSE and NSE, please refer to the chapter titled "*Market Price Information*" on page 197 of this Draft Letter of Offer.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, securities premium notes, etc. issued by our Company.

**Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company has received no investor complaints during the three years preceding the date of this Draft Letter of Offer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

As on date of this Draft Letter of Offer, our Company does not have any subsidiary.

**Status of outstanding investor complaints**

As at the date of this Draft Letter of Offer, there are no outstanding investor complaints against our Company.

**Investor Grievances arising out of this Issue**

Investors may contact the Registrar to the Issue at:

**Bigshare Services Private Limited**
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),
Mumbai- 400 059, Maharashtra, India.
**Telephone:** +91 22 6263 8200
**Facsimile:** +91 22 6263 8299
**E-mail:** rightsissue@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact person:** Arvind Tandel
**Investor grievance:** investor@bigshareonline.com
**SEBI Registration No:** INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Hasmukh Kanubhai Modi, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Rushil House, Near Neelkanth Green Bungalow,
Off. Sindhu Bhavan Road, Shilaj,
Ahmedabad-380 058, Gujarat, India
**Telephone:** +9179 6140 0400
**E-mail:** ipo@rushil.com

## SECTION VII – ISSUE INFORMATION

## TERMS OF THE ISSUE

*This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or B-WAP (only for original shareholders), as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.*

*In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.*

*The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.*

### OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

**Important:**

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their addresses to our Company. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.rushil.com
b) the Registrar to the Issue at www.bigshareonline.com
c) the Lead Manager at www.saffronadvisor.com
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
e) the Registrar's web-based application platform B-WAP

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.rushil.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

*2) Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 (Collectively hereafter referred to as "**SEBI Rights Issue Circulars**") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "**ASBA Circulars**"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., B-WAP (only for Original Shareholders). Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. [●] (hereinafter referred to as the "**Original Shareholders**"). However, the Shareholders who receive the renounced Equity Shares offered in this Issue shall not be considered as Original Shareholders and shall not be eligible to apply through B-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using optional mechanism. For details, see "*Procedure for Application through the ASBA Process*" and "*Procedure for Application through B-WAP*" on page 244 and 245 respectively.

For guidance on the Application process through B-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk on the website of the Registrar to the Issue at www.bigshareonline.com or call helpline number (+91 22 6263 8200). For details, see "*Procedure for Application through B-WAP*" on page 245.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

3) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

*4) Application by Eligible Equity Shareholders holding Equity Shares in physical form:*

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

(i) the Eligible Equity Shareholders apply only through the alternative application platform, B-WAP (for Original Shareholders only);
(ii) the Eligible Equity Shareholders are residents;
(iii) the Eligible Equity Shareholders are not making payment from non-resident account;
(iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
(v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on pages 250 and 258, respectively.

*5) Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com
c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

**Renouncees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

**Authority for the Issue**

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on November 11, 2019 pursuant to Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letters dated [●] and [●], respectively.

**Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

**Rights Entitlement ("REs") (Rights Equity Shares)**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.rushil.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website (www.bigshareonline.com). They may also communicate with the Registrar with the help of the helpline number (+91 22 6263 8200) and their email address (rightsissue@bigshareonline.com).

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through B-WAP (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case

who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

## PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

### Face Value

Each Rights Equity Share will have the face value of ₹10.

### Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares will be partly paid-up to the extent of [●]% of the Issue Price along with the Application, [●]% of the Issue Price shall be paid on or before the date of First Call, [●]% of the Issue Price shall be paid on or before the date of Second Call and [●]% of the Issue Price shall be paid on or before the date of Third and Final Call.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

### Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

**Rights of instrument holder**

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

**Terms of Payment**

The Issue Price of ₹[●] per Rights Equity Share is payable as follows:

| Amount payable per Rights Equity Share(₹) | Face Value | Premium | Total |
|---|---|---|---|
| On Application | [●] | [●] | [●] |
| On First Call | [●] | [●] | [●] |
| On Second Call | [●] | [●] | [●] |
| On Third and Final Call | [●] | [●] | [●] |
| **Total** | **[●]** | **[●]** | **[●]** |

**Investors shall be required to make the balance payment towards the Call notice by the due date, which shall be separately notified by our Company.*

Note:

1. Out of the amount of ₹[●] paid on the Application, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
2. Out of the amount of ₹ [●] paid on First Call, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
3. Out of the amount of ₹ [●] paid on Second Call, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
4. Out of the amount of ₹ [●] paid on Third and Final Call, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
5. Call notice for First Call, Second Call and Third and Final Call shall be sent by our Company for making the payment towards the balance amount due.
6. Rights Equity Shares in respect of which the Call(s) payable remains unpaid may be forfeited at any time after the due date for payment of the balance amount due.

*Procedure for Call Notice(s)*

The Company would convene a meeting of the Board to pass the required resolutions for making the Call(s) and suitable intimation would be given by the Company to the Stock Exchanges. Further, advertisements for the same will be published in one (1) English national daily newspaper, one (1) regional language daily newspaper and one (1) in Hindi national daily newspaper, all with wide circulation. The First Call, Second Call and Third and Final Call shall be deemed to have been made at the time when the resolution authorizing each such Call is passed at the meeting of the Board. The Call(s) may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association of the Company, the Investors would be given at least fourteen (14) days' notice for the payment of the Call(s). The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call(s). If the Investors fail to pay the First Call, Second Call or Third and Final Call within the due date fixed by the Board or any extension thereof, the application money already paid may be forfeited.

*(i) Record date for Call(s) and suspension of trading*

The Company would fix record date giving at least seven (07) days prior notice to the Stock Exchanges for the purpose of determining the list of Equity Shareholders to whom the notice for the Call(s) pursuant to the First Call, Second Call and Third and Final Call would be sent. Once the record date has been fixed, trading in the partly paid Rights Shares for which the Call(s) has been made would be suspended prior to such record date that has been fixed for such Call(s).

*(ii) Separate ISIN for Partly Paid-up Shares*

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN Rights Equity Shares, until fully paid-up. The Rights Equity Shares offered under the Issue will be traded under a separate ISIN for the period as may be applicable under the rules and regulations prior to the record date for the Third and Final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Record Date for the Third and Final Call Notice. On payment of the Third and Final Call money in respect of the Rights Equity

Shares, such Rights Equity Shares would be fully paid up and merged with the existing ISIN for our Equity Shares.
Listing of Partly Paid-up Equity Shares

The partly paid-up Rights Equity Shares would be listed on the Stock Exchange. For an applicable period, under the rules and regulations, prior to the record date for the Call, the trading of the Rights Equity Shares would be terminated. The process of corporate action for crediting the Rights Equity Shares to the Investors' demat accounts may take about two (02) weeks' time from the last date of payment of the account under the Call notice for the First Call and Second Call, respectively. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take about two (02) weeks' time from the last date of payment of the account under the Third and Final Call Notice for the Third and Final Call.

The listing and trading of the partly paid-up Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Any change in the regulatory regime would accordingly affect the schedule.

**Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable**.

**Ranking**

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

**Mode of payment of dividend**

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

**Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

The existing Equity Shares of our Company are listed and traded under the ISIN: INE573K01017 on BSE (Scrip Code: 533470) and on NSE (Symbol: RUSHIL). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the

Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and/or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading "*Terms of Payment*" at page 239 of this Draft Letter of Offer.

**Subscription to the Issue by our Promoters and Promoter Group**

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Subscription by our Promoters and Promoter Group*" on page 89.

**Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of holders of Equity Shares**

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

**General terms of the Issue**

**Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

**Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

**Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

**Arrangements for Disposal of Odd Lots**

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

**New Financial Instruments**

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

**Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

**Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Gujarati language daily newspaper with wide circulation at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

**PROCEDURE FOR APPLICATION**

**How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or

the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 250.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

**Application Form**

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.rushil.com
b) the Registrar to the Issue at www.bigshareonline.com
c) the Lead Manager at www.saffronadvisor.com
d) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
e) the Registrar's web-based application platform at www.bigshareonline.com (B-WAP).

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com ) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.rushil.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application

through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on B-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through B-WAP which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through the optional mechanism i.e. B-WAP. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and B-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "*Grounds for Technical Rejection*" on page 254. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*" on page 244.

**Options available to the Eligible Equity Shareholders**

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.rushil.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on pages 250 and 258, respectively.

**Procedure for Application through the ASBA process**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the 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 Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

**Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

**Procedure for Application through B-WAP:**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Original Shareholder. Further, B-WAP is only an additional option and not a replacement of the ASBA process. At the B-WAP, resident Investors can access and submit the online Application Form in electronic mode using the B-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

**Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on B-WAP, the optional mechanism devised by the Lead Manager and the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the optional facility, B-WAP will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 244.

**Additional Rights Equity Shares**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 234. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 256.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

**Applications by Overseas Corporate Bodies**

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the

Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). 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 and were not at any time subject to any adverse notice from 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 the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

**Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

***(a) On Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE573K01017 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE573K01017 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.
The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

**(b) *Off Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE573K01017, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

***Applications on Plain Paper under ASBA process***

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***Rushil Décor Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 249.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH B-WAP.**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Rushil Décor Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money

in the ASBA Account;

- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.*

*I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.*"

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

**Last date for Application**

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such

date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 256.

**Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through B-WAP, the optional mechanism devised. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

***Mode of payment for Resident Investors***

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the optional mechanism. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

***Mode of payment for Non-Resident Investors***

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

  *Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at rightsissue@bigshareonline.com.*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

**Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company, in the manner provided on the website of the Registrar

to the Issue at www.bigshareonline.com at least two Working Days prior to the Issue Closing Date. They may also communicate with the Registrar with the help of the helpline number (+91 22 6263 8200) and their email address (rightsissue@bigshareonline.com).

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on pages 250 and 258, respectively.

**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:

- the website of the Registrar at (www.bighsareonline.com);
- our Company at (www.rushil.com);
- the Lead Manager at (www.saffronadvisor.com ); and
- the Stock Exchanges at (www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bighsareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.rushil.com);

The Eligible Equity Shareholders shall, who are, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, may also apply in this Issue during the Issue Period by filling the online Application Form available on B-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master List, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

(a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
(b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and

(c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on page 258.

**Allotment of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.**

**FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 257.**

**General instructions for Investors**

(a) Please read this Draft Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" and "*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*" on pages 244 and 258, respectively.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using B-WAP (for Original Shareholders only).

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 247.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., B-WAP.

Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using B-WAP.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) In case of Application through B-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on B-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the optional facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.

(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

**Do's:**

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts:**

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

**Do's for Investors applying through ASBA:**

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form and the Rights Entitlement Letter.

**Don'ts for Investors applying through ASBA:**

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Do's for Investors applying through B-WAP:**

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application;

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the B-WAP;

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment;

(d) Ensure that you receive a confirmation email/SMS on successful transfer of funds; and

(e) Ensure you have filled in correct details of folio number, DP ID and Client ID, PAN as applicable, and all such other details as may be required.

**Don'ts for Investors applying through B-WAP:**

(a) Do not apply from bank account of third parties.
(b) Do not apply if you are a non-resident Investor.
(c) Do not apply from non-resident account.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such

Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
(e) Account holder not signing the Application or declaration mentioned therein.
(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Draft Letter of Offer and the Letter of Offer.
(l) Physical Application Forms not duly signed by the sole or joint Investors.
(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
(o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

*Applications under the B-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):*

(a) Applications by non-resident Investors;
(b) Payment from third party bank accounts; and
(c) Applied from both mode i.e. B-WAP and ASBA in that case B-WAP application will be liable for rejection.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE B-WAP (AVAILABLE ONLY FOR ORIGINAL RESIDENT SHAREHOLDERS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon

request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

**Multiple Applications**

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 263.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure-Subscription by our Promoters and Promoter Group*" on page 89).

**Underwriting**

The Issue is not underwritten.

**Issue schedule**

| | |
|---|---|
| **Issue Opening Date** | [●] |
| **Last date for receiving requests for Application Form and Rights Entitlement Letter** | [●] |
| **Issue Closing Date** | [●] |
| **Finalising the basis of allotment with the Designated Stock Exchange** | |
| **Date of Allotment (on or about)** | [●] |
| **Initiation of refunds** | |
| **Date of credit (on or about)** | [●] |
| **Date of listing (on or about)** | [●] |

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date*.

**Basis of Allotment**

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity

Shareholders holding less than [●] ([●]) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) and (b) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(d) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b), (c) and (d) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(f) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c), (d) and (e) above, and the decision of our Board in this regard shall be final and binding.

(g) After taking into account Allotment to be made under (a) to (f) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

**Allotment Advices/Refund Orders**

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other

rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through the optional facility B-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("**RTGS**").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors 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 15 days of the Issue Closing Date.

**In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until six months.**

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

**Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner**

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

(a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;

(b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

(c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

(d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage,

applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;

(e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

(f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and

(g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

(h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

**Payment of Refund**

***Mode of making refunds***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

2. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted 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 Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

4. **RTGS** – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

***Refund payment to Non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

**Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

**Allotment advice or Demat Credit**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**Option to receive Right Equity Shares in Dematerialised Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" and "Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form" on pages 250 and 258, respectively.**

**Investment by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any 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 eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

**Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)**

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

**Investment by AIFs, FVCIs and VCFs**

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

**As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.**

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of

AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

**Applications will not be accepted from FPIs in restricted jurisdictions.**

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

**Investment by NRIs**

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO ccounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

**Investment by Mutual Funds**

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

**Procedure for applications by Systemically Important NBFCs**

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

**Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*
*(iii) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
*(iv) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
*(v) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

**Dematerialised Dealing**

Our Company has entered into tripartite agreements dated June 02, 2010 and April 30, 2010 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE573K01017.

**Disposal of Applications and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the B-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the B-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

**Utilization of Issue Proceeds**

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

**Undertakings by our Company**

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

**Minimum subscription**

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. However, SEBI vide its circular dated April 21, 2020 bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 has relaxed the requirement of minimum subscription and has reduced the threshold of subscription from 90% to 75% of the Issue. Further, as per the said circular if the Issue is subscribed between 75% to 90%, Issue will be considered successful subject to the condition that out of the funds raised at least 75% of the Issue size shall be utilized for the objects of the Issue other than general corporate purpose. The relaxation is subject to the condition that this Issue opens before March 31, 2021.

If our Company does not receive the minimum subscription of at least 75% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within the prescribed time after the Issue Closing Date, our Company and the Directors who are "officers in default" become liable to refund the subscription amount along with interest for the delayed period, as prescribed under applicable law.

**Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

**Important**

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 28.

All enquiries in connection with this Draft Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "***Rushil Décor Limited – Rights Issue***" on the envelope to the Registrar at the following address:

**Bigshare Services Private Limited**
1st floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East),
Mumbai- 400 059, Maharashtra, India.
**Telephone:** +91 22 6263 8200
**Facsimile:** +91 22 6263 8299
**E-mail:** rightsissue@bigshareonline.com
**Website:** www.bigshareonline.com
**Contact person:** Arvind Tandel
**Investor grievance:** investor@bigshareonline.com
**SEBI Registration No:** INR000001385
**Validity of Registration:** Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is (+91 22 6263 8200).

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly knows as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

*The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## SECTION VIII - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/ defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

| Article No. | Articles | Particulars |
|---|---|---|
| **1.** | **Table F Applicable.** | The regulations contained in the Table "F" in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. |
| | **SHARE CAPITAL AND VARIATION OF RIGHTS** | |
| **4.** | **Amount of Capital** | The Authorised Share Capital of the Company shall be the Capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions |
| **5.** | **Shares under the control of Board** | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. |
| **6.** | **Allotment of shares otherwise than for cash** | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. |
| **7.** | **Kinds of Shares** | The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:<br>(a) Equity share capital:<br>(i) with voting rights; and / or<br>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and<br>(b) Preference share capital |

| Article No. | Articles | Particulars |
|---|---|---|
| **8.** | **Issue of Certificate** | (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –<br>(a) one certificate for all his shares without payment of any charge; or<br>(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. |
| | **Certificate shall have seal** | (ii) Every certificates of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Directors may prescribe and approve. |
| | **One certificate for shares held jointly** | (iii) In respect of share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. |
| **9.** | **To receive share certificate or hold shares in Demat Form** | A person subscribing to shares offered by the Company shall have the option either to receive certificate for such shares or hold the shares in a dematerialized form with a depository. Where a person decides to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. |
| **10.** | **To provide new certificate in place of one defaced, mutilated, torn, lost or destroyed** | (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. |
| | **Applicability for issue of certificates to debentures and other securities.** | (ii) The provisions of the above-mentioned Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. |
| **11.** | **Shares not to be held in trust** | Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder. |
| **12.** | **Power to pay commission in connection with securities issued** | (i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. |
| | **Rate of commission** | (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. |
| | **Kind of commission payment** | (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. |
| **13.** | **Variation in the rights** | (i) If at any time the share capital is divided into different classes |

| Article No. | Articles | Particulars |
|---|---|---|
| | **of members** | of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. |
| | **Provisions as to general meetings to apply *mutatis mutandis* to each meeting** | (ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply. |
| **14.** | **Issue of further shares not to affect rights of existing members** | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. |
| **15.** | **Issue redeemable preference shares** | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. |
| **16.** | **Further issue of share capital** | (i) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –<br>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or<br>(b) employees under any scheme of employees' stock option; or<br>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. |
| | **Manner of further issue** | (ii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. |
| | | **LIEN** |
| **17.** | **Lien on shares** | (i) The Company shall have a first and paramount lien -<br>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and<br>(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:<br>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. |
| | **Lien extend to dividends and other** | (ii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. |
| | **Waiver of lien in some cases** | (iii) The registration of a transfer of shares shall operate as a waiver of the Company's lien, unless otherwise agreed by the Board. |
| **18.** | **As to enforcing lien by sale** | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:<br>Provided that no sale shall be made—<br>(a) unless a sum in respect of which the lien exists is presently payable; or<br>(b) until the expiration of fourteen days after a notice in writing |

| Article No. | Articles | Particulars |
|---|---|---|
| | | 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 to the person entitled thereto by reason of his death or insolvency or otherwise. |
| **19.** | **Authority for sale** | (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. |
| | **Purchaser as a registered holder** | (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer. |
| | **Title of the purchaser of shares** | (iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. |
| | **Purchaser not affected** | (iv) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. |
| **20.** | **Application of sale proceeds** | (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. |
| | **Return of residual money** | (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. |
| **21.** | **Lien of other persons not to be affected to Company's lien** | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. |
| **22.** | **Provisions as to lien to mutatis mutandis to debentures, etc** | The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company. |
| | | **CALLS ON SHARES** |
| **23.** | **To make calls upon the members** | (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. |
| | **Notice of call** | (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. |
| | **Extension of time for payment** | (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. |
| | **Board's power to Revoke or postpone the call** | (iv) A call may be revoked or postponed at the discretion of the Board. |
| **24.** | **Effect to make call** | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. |
| **25.** | **Liability in case of joint holding** | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| **26.** | **Due date for Payment of** | (i) If a sum called in respect of a share is not paid before or on the day |

| Article No. | Articles | Particulars |
|---|---|---|
| | **interest on call or installment** | appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board. |
| | **Board's power to waive interest** | (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part. |
| **27.** | **Deemed to be a call** | (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. |
| | **Effect of non-payment of sums** | (ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. |
| **28.** | **Advance payment on calls may carry interest but no other rights** | The Board -<br>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and<br>(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board.<br>(c) Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. |
| **29.** | **Payment of installments on shares** | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. |
| **30.** | **Calls on shares on uniform basis** | All calls shall be made on a uniform basis on all shares falling under the same class. |
| **31.** | **Partial payment not to impede the forfeiture of share** | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. |
| **32.** | **Provisions on calls to apply *mutatis mutandis* to other securities.** | The provisions of these Articles relating to calls on shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. |
| | | **TRANSFER OF SHARES** |
| **33.** | **Instrument of transfer to be executed by transferor and transferee** | (i) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. |
| | **Continuity of transferor as member** | (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. |
| **34.** | **Decline to register transfer** | The Board may, subject to the right of appeal conferred by the Act decline to register -<br>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or<br>(b) any transfer of shares on which the Company has a lien. |

| Article No. | Articles | Particulars |
|---|---|---|
| **35.** | **Board may decline to recognize instrument of transfer** | The Board may decline to recognize any instrument of transfer unless -<br>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;<br>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and<br>(c) the instrument of transfer is in respect of only one class of shares. |
| **36.** | **Suspension of transfer of shares** | On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:<br>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year. |
| **37.** | **Provisions on transfer of shares to apply *mutatis mutandis* to other securities** | The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. |
| | | **TRANSMISSION OF SHARES** |
| **38.** | **Title to shares in case of death of a member** | (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. |
| | **Estate of deceased member liable** | (ii) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. |
| **39.** | **Transmission of shares** | (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -<br>(a) to be registered himself as holder of the share; or<br>(b) to make such transfer of the share as the deceased or insolvent member could have made. |
| | **Right of Board may remain unaffected** | (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. |
| | **To Indemnify the Company** | (iii) The Company shall be fully indemnified by such person from all the liabilities, if any, by actions taken by the Company to give effect to such registration or transfer. |
| **40.** | **Right to election of holder of share** | (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. |
| | **Manner of testifying election** | (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. |
| | **Limitations applicable to notice** | (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. |
| **41.** | **Person will be entitled to same advantage** | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise |

| Article No. | Articles | Particulars |
|---|---|---|
| | | any right conferred by membership in relation to meetings of the Company:<br>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. |
| **42.** | **Provisions as to transmission to apply *mutatis mutandis* to other securities.** | The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company. |
| | | **FORFEITURE OF SHARES** |
| **43.** | **Notice on non-payment of call or installment** | If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. |
| **44.** | **Manner of notice** | The notice aforesaid shall:<br>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and<br>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. |
| **45.** | **Forfeiture of shares on default of payment of shares** | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. |
| **46.** | **Receipt of part payment not to affect forfeiture** | Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. 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. |
| **47.** | **Effect of forfeiture in member's register** | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. |
| **48.** | **Other effect of forfeiture** | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. |
| **49.** | **Sale or disposal of forfeited shares** | (i) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. |
| | **Cancellation of earlier forfeiture** | (ii) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. |
| **50.** | **Liability of Members** | (i) A person whose shares have been forfeited shall cease to be a |

| Article No. | Articles | Particulars |
|---|---|---|
| | **to pay money owing at the time of forfeiture.** | member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. |
| | **Liability of Members to pay money with interest** | (ii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part |
| | **Termination of liability** | (iii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. |
| **51.** | **Declaration of forfeiture** | (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited 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; |
| | **Execution of transfer in favour of purchaser of forfeited shares** | (ii) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; |
| | **Registration of Transferee as registered holder** | (iii) The transferee shall thereupon be registered as the holder of the share; and |
| | **Security of Transferee's title** | (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. |
| **52.** | **Validity of the sale shall not be impeached** | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for 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 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. |
| **53.** | **Cancellation of share certificate in respect of forfeited shares** | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. |
| **54.** | **Acceptance of Surrender share** | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as the board think fit. |
| **55.** | **Sums deemed to be calls** | 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 the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |
| **56.** | **Provisions as to forfeiture of shares to apply *mutatis mutandis* to other securities** | The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. |
| | **ALTERATION OF CAPITAL** | |

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| **57.** | **Increase of capital by Resolution** | The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. |
| **58.** | **Power to alter share capital** | Subject to the provisions of the Act, the Company may, by ordinary resolution -<br>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:<br>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;<br>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;<br>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;<br>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. |
| **59.** | **Shares may be converted into stock** | Where shares are converted into stock:<br>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulation under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:<br>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;<br>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;<br>(c) such of these articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively. |
| **60.** | **Reduction of share capital and reserves** | The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —<br>(a) its share capital; and/or<br>(b) any capital redemption reserve account; and/or<br>(c) any securities premium account; and/or<br>(d) any other reserve in the nature of share capital. |
| | **HOLDING IN JOINT NAMES** | |
| **61.** | **Joint-holders of security** | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: |
| | **Several Liability of joint holders for call** | (i) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. |

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| | **Death of joint-holder** | (ii) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. |
| | **Receipt of one holder is sufficient** | (iii) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. |
| | **Service of certificate and giving of notice** | (iv) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents which are to be served under the Act to the members) and any notice served on or sent to such person shall be deemed service on all the joint-holders. |
| | **Entitlement of joint-holders for Vote** | (v) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. |
| | **Executor(s) or administrator(s) as joint-holder** | (vi) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. |
| | **Provisions as to joint holders as to shares to apply *mutatis mutandis* to other securities** | (vii) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names. |
| | | **CAPITALIZATION OF PROFITS** |
| **62.** | **Capitalization of profit and reserve** | (i) The Company in general meeting may, upon the recommendation of the Board, resolve —<br>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and<br>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. |
| | **Sum how applied** | (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) below, either in or towards :<br>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;<br>(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;<br>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B). |
| | **Application of reserves for issue of bonus shares** | (iii) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; |

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| | **Effect by board to General Meeting resolution** | (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article. |
| **63.** | **Powers of Board for capitalization** | (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -<br>(a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and<br>(b) generally do all acts and things required to give effect thereto. |
| | **Powers of Board to issue fractional certificate/coupon etc.** | (ii) The Board shall have power—<br>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and<br>(b) to authorize 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 or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profit resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares. |
| | **Binding of agreement on members** | (iii) Any agreement made under such authority shall be effective and binding on such members. |
| | | **BUY-BACK OF SHARES** |
| **64.** | **Buy-back of shares** | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. |
| | | **GENERAL MEETINGS** |
| **65.** | **EGM** | All general meetings other than annual general meeting shall be called extraordinary general meeting. |
| **66.** | **Power to call EGM** | The Board may, whenever it thinks fit, call an extraordinary general meeting. |
| | | **PROCEEDINGS AT GENERAL MEETINGS** |
| **67.** | **Necessity of Quorum** | (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. |
| | **Business confined to election of Chairperson** | (ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. |
| | **Quorum** | (iii) The quorum for a general meeting shall be as provided in the Act. |
| **68.** | **Chairperson of the meetings** | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. |
| **69.** | **Directors to elect a Chairperson** | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. |
| **70.** | **Members may elect a Chairperson** | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. |

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| **71.** | **Casting vote of Chairperson** | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. |
| **72.** | **Minutes of proceedings of meetings and resolutions passed by postal ballot** | (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. |
| | **Exclusion of certain matters from the Minutes** | (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -<br>(a) is, or could reasonably be regarded, as defamatory of any person; or<br>(b) is irrelevant or immaterial to the proceedings; or<br>(c) is detrimental to the interests of the Company. |
| | **Discretion of Chairperson in relation to Minutes** | (iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. |
| | **Minutes as evidence** | (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. |
| **73.** | **Inspection of minute books of general meeting** | (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:<br>(a) be kept at the place as mentioned in the Act; and<br>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturday. |
| | **Copy of minutes** | (ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above. |
| **74.** | **Security at the place of meetings** | The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. |
| | | **ADJOURNMENT OF MEETING** |
| **75.** | **Adjournment of the meeting** | (i) The Chairperson may, *suo moto*, adjourn the meeting from time to time and from place to place. |
| | **Businesses at adjourned meeting** | (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. |
| | **Requirement of notice for adjourned meeting** | (iii) 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. |
| | **Notice of adjourned meeting not necessary** | (iv) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| | | **VOTING RIGHTS** |
| **76.** | **Vote on show of hands and on poll** | Subject to any rights or restrictions for the time being attached to any class or classes of shares -<br>(a) on a show of hands, every member present in person shall have one vote; and<br>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. |

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| **77.** | **Voting by electronic means** | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. |
| **78.** | **Vote by joint-holders** | (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. |
| | **Decided by Seniority** | (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| **79.** | **Vote by guardian** | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians. |
| **80.** | **Votes in respect of shares of deceased or insolvent members, etc.** | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. |
| **81.** | **Business may proceed pending poll** | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. |
| **82.** | **Restriction on voting rights** | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. |
| **83.** | **Objection as to voting** | (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. |
| | **Decision of chairman as to objection shall be final** | (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. |
| **84.** | **Equal rights of members** | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. |
| | | **PROXY** |
| **85.** | **Vote in person or otherwise** | (i) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his/her behalf, for that meeting. |
| | **Proxies when to be deposited** | (ii) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. |
| **86.** | **Form of proxy** | An instrument appointing a proxy shall be in the form as prescribed in the Rules. |
| **87.** | **Proxy to be valid notwithstanding death of the principal** | 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 the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:<br>Provided that no intimation in writing of such death, insanity, |

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| | | revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| | | **BOARD OF DIRECTORS** |
| **88.** | **Strength of Board** | (i) Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen). |
| | **Qualification shares** | (ii) Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director. |
| | **Women Director** | (iii) The Directors shall appoint one women director as per the requirements of section 149 of the Act. |
| **89.** | **Board's power to determine liable to retire by rotation.** | (i) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. |
| | **Same individual may be Chairperson and MD/CEO** | (ii) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. |
| **90.** | **Remuneration of directors** | (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. |
| | **Remuneration to Managerial Personal** | (ii) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. |
| | **Travelling, hotel and other expenses** | (iii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—<br>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or<br>(b) in connection with the business of the Company. |
| **91.** | | The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register. |
| **92.** | **Execution of negotiable instruments** | All cheques, promissory notes, drafts, *hundis,* bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. |
| **93.** | **Power of board to appoint additional director** | (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. |
| | **Duration of office of additional director** | (ii) Such person shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. |
| **94.** | **Alternate director** | (i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an |

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| | | independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. |
| | **Duration of office of alternate director** | (ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. |
| | **Re-appointment provisions applicable to Original Director** | (iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director. |
| **95.** | **Casual vacancy** | (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. |
| | **Duration of office of a director appointed to fill casual vacancy** | (ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated. |
| | | **`POWERS OF BOARD** |
| **96.** | **Powers vested in the Board of directors** | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. |
| | | **PROCEEDINGS OF THE BOARD** |
| **97.** | **Meeting of the Board** | (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. |
| | **Summon a Board Meeting** | (ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. |
| | **Quorum of Board Meeting** | (iii) The quorum for a Board meeting shall be as provided in the Act. |
| | **Participation by board members in Board meeting** | (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as the Board may from time to time decide and as may be prescribed by the Rules or permitted under law. |
| **98.** | **Decision by majority of votes** | (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. |
| | **Casting vote of Chairperson** | (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. |
| **99.** | **Directors not to act when number falls below quorum** | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. |

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| **100.** | **Who will be Chairperson in the board meeting** | (i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. |
| | **Directors to elect a Chairperson** | (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting. |
| **101.** | **Delegation of powers to Committee(s)** | (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit. |
| | **Confirm to Board Regulations by Committee** | (ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. |
| | **Participation at Committee meetings** | (iii) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be decided by board and prescribed by the Rules or permitted under law. |
| **102.** | **Chairperson of Committee** | (i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting or reconstituting a Committee, has appointed a Chairperson of such Committee. |
| | **Chairperson at the meetings of Committee** | (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. |
| **103.** | **Committee to meet** | (i) A Committee may meet and adjourn as it thinks fit. |
| | **Decision at the Committee meeting** | (ii) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. |
| | **Casting vote of Chairperson** | (iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote. |
| **104.** | **Validity of acts of Board or committee notwithstanding defect in appointment** | All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. |
| **105.** | **Passing of resolution by circulation** | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held. |
| | **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER** | |
| **106.** | **Chief Executive Officer, etc.** | Subject to the provisions of the Act,—<br>(i) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses. |
| | **Director may be chief executive officer, etc.** | (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. |
| | **REGISTERS** | |

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| **107.** | **Statutory registers** | The Company shall keep and maintain at its Corporate office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the corporate office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. |
| **108.** | **Foreign register** | (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. |
| | | (ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members. |
| | **THE SEAL** | |
| **109.** | **The seal, its custody and use** | (i) The Board shall provide for the safe custody of the seal. |
| | **Affixation of seal** | (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. |
| | **DIVIDENDS AND RESERVE** | |
| **110.** | **Company in general meeting may declare dividends** | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Company in general meeting may declare a lesser dividend then recommended by the Board. |
| **111.** | **Interim dividend** | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. |
| **112.** | **Power to Set aside Profits as reserves before recommending Dividend** | (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; 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 Board may, from time to time, think fit. |
| | **Carry forward of Profits** | (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| **113.** | **Division of profits** | (i) 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 |

| Article No. | Articles | Particulars |
|---|---|---|
| | | is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. |
| | **Call in advance** | (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. |
| | **Dividends in proportionate basis** | (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. |
| **114.** | **Dividend whilst the member is indebted to the Company** | (i) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| | **To Retain the dividends** | (ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. |
| **115.** | **Remittance of Dividend etc.** | (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the 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. |
| | **Manner of payment** | (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| | **Discharge to Company** | (iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. |
| **116.** | **Receipt of one holder sufficient** | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. |
| **117.** | **No dividend shall bear interest** | No dividend shall bear interest against the Company. |
| **118.** | **Waiver of dividends** | The waiver In whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. |
| | | **ACCOUNTS** |
| **119.** | **Right of Inspection to Directors** | (i) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. |
| | **Restriction on inspection by member** | (ii) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as right conferred by law or authorized by the Board. |
| | | **WINDING UP** |
| **120.** | **Winding up of Company** | Subject to the applicable provisions of the Act and the Rules made thereunder -<br>(i) If the Company shall be wound up, the liquidator may, with the |

| Article No. | Articles | Particulars |
|---|---|---|
| | | sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. |
| | **Power to Liquidator** | (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. |
| | **Vest of assets in trustees** | (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. |
| | | **INDEMNITY AND INSURANCE** |
| **121.** | **Right of Directors and officers to indemnify** | (i) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary, chief executive officer, chief financial officer and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary, chief executive officer, chief financial officer and other officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary, chief executive officer, chief financial officer or officer or in any way in the discharge of his duties in such capacity including expenses. |
| | | (ii) Subject as aforesaid, every director, managing director, manager, company secretary, chief executive officer, chief financial officer or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. |
| **122.** | **Insurance of Directors and KMP** | The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. |
| | | **GENERAL POWER** |
| **123.** | **General power** | Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. |

## SECTION IX - OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts wich have been entered or are to be entered into by our Company (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 this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.rushil.com from the date of this Draft Letter of Offer until the Issue Closing Date.

### 1. Material Contracts for the Issue

(i) Issue Agreement dated August 11, 2020 entered into between our Company and the Lead Manager.

(ii) Registrar Agreement dated August 11, 2020 entered into amongst our Company and the Registrar to the Issue.

(iii) Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

### 2. Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated May 24, 1993.

(iii) Fresh certificate of incorporation dated December 04, 2007 consequent upon conversion from private company to public company.

(iv) Resolution of the Board of Directors dated November 11, 2019 in relation to the Issue.

(v) Resolution of the Board of Directors dated August 11, 2020 approving and adopting this Draft Letter of Offer.

(vi) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.

(vii) Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

(viii) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead manager Bankers to our Company, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.

(ix) Email dated June 02, 2020 received from Research Nester providing its consent to disclose the data published in its report titled “India Plywood and Laminates Market” in the Draft Letter of Offer.

(x) The examination reports dated August 08, 2020 of the Statutory Auditor, on our Company’s Restated Financial Statements, included in this Draft Letter of Offer.

(xi) Statement of Tax Benefits dated August 08, 2020 from the Statutory Auditor included in this Draft Letter of Offer.

(xii) Tripartite Agreement dated June 02, 2010 between our Company, NSDL and the Registrar to the Issue.

(xiii) Tripartite Agreement dated April 30, 2010 between our Company, CSDL and the Registrar to the Issue.

(xiv) Due Diligence Certificate dated August 11, 2020 addressed to SEBI from the Lead Manager.

(xv) In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Ghanshyambhai Ambalal Thakkar
(Chairman and Whole-time Director)

Krupesh Ghanshyambhai Thakkar
(Managing Director)

Ramaniklal Tejabhai Kansagara
(Whole Time Director)

Rohitbhai Bhailalbhai Thakkar
(Independent Director)

Shankar Prasad Bhagat
(Independent Director)

Archee Darshanbhai Thakkar
(Additional (Independent) Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Vipulkumar Shantilal Vora
(Chief Financial Officer)

Date: 11th August, 2020

Place: Ahmedabad