



JAISHREE INDUSTRIES LIMITED

(Our Company was incorporated on January 5, 1996 under the Companies Act, 1956 with the Registrar of Companies, Rajasthan. The status of our Company was changed to a public limited company by a special resolution passed at an EGM held on May 5, 2010. The fresh certificate of incorporation consequent upon change of name was granted to our Company on May 26, 2010 by the RoC. For further details of changes in our name and our registered office please refer the chapter "Our History and Certain Corporate Matters" on page no. 86 of this Draft Red Herring Prospectus)

Registered Office: D-12, Rajouri Garden (Ring Road), New Delhi - 110027

Tel.: +91 11 4144 4471 **Fax:** +91 11 4142 0985 **Website:** <http://www.jaishreegranites.com> **Email:** ipo@jaishreegranites.com

Company Secretary and Compliance Officer: Abhinav Leekha **Email:** abhinav@jaishreegranites.com

PROMOTERS OF OUR COMPANY

MR. SHYAM SUNDER MAHESHWARI AND MRS. ASHA DEVI MAHESHWARI

PUBLIC ISSUE OF [•] EQUITY SHARES OF ₹ 10 EACH OF [•] ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING ₹ 5,686 LAKHS (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE [•] % OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

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

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

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the other members of the Syndicate.

This is an issue for [•] % of the post-Issue capital. The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIB") Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account, which will be blocked by the Self Certified Syndicate Bank ("SCSB") for the same. For details, see section titled "Issue Procedure" on page no. 163 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value. The Issue Price (has been determined and justified by the BRLM and the Issuer as stated under the section titled "Basis for Issue Price" on page no. 37 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after they are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [•] as [•], indicating [•]. The IPO grade is assigned on a five -point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details see section titled "General Information", "Other Regulatory and Statutory Disclosures" on page nos. 13 and 146 of this Draft Red Herring Prospectus.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page no. xiii of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares are proposed to be listed on BSE and NSE. We have received an 'in-principle' approval from the BSE and the NSE, vide their letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE.

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
	Ashika Capital Limited 1008, 10 th Floor, Raheja Centre, 214, Nariman Point, Mumbai – 400021 Tel: +91-22-66111700 Fax: +91-22-66111710 Email: mbd@ashikagroup.com Website: www.ashikagroup.com Contact Person: Mr. Niraj Kothari / Mr. Pranav Nagar SEBI Registration No.: INM000010536		Karvy Computershare Private Limited Plot Nos. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081 Toll Free No.: 1-800-3454001 Tel: +91-40-44655000 Fax: +91-40-23431551 Email: jaishree.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI registration number: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[•]	BID/ISSUE CLOSES ON	[•]
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TABLE OF CONTENTS

SECTION I: GENERAL.....	III
DEFINITIONS AND ABBREVIATIONS	III
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	X
NOTICE TO INVESTORS.....	XI
FORWARD-LOOKING STATEMENTS	XII
SECTION II: RISK FACTORS.....	XIII
SECTION III: INTRODUCTION	1
SUMMARY OF INDUSTRY	1
SUMMARY OF OUR BUSINESS	5
SUMMARY FINANCIAL INFORMATION	9
THE ISSUE.....	12
GENERAL INFORMATION.....	13
CAPITAL STRUCTURE	21
SECTION IV: PARTICULARS OF THE ISSUE	29
OBJECTS OF THE ISSUE	29
BASIC TERMS OF THE ISSUE.....	36
BASIS FOR ISSUE PRICE	37
STATEMENT OF TAX BENEFITS.....	40
SECTION V: ABOUT THE COMPANY	46
INDUSTRY OVERVIEW	46
OUR BUSINESS	62
KEY INDUSTRY REGULATIONS AND POLICIES.....	80
HISTORY AND CORPORATE STRUCTURE	86
OUR MANAGEMENT	89
OUR PROMOTERS AND PROMOTER GROUP	99
CURRENCY OF PRESENTATION.....	103
DIVIDEND POLICY	104
SECTION VI: FINANCIAL STATEMENTS.....	105
FINANCIAL INFORMATION	105
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	126
FINANCIAL INDEBTEDNESS	137
SECTION VII: LEGAL AND OTHER INFORMATION	139
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	139
GOVERNMENT APPROVALS	142
SECTION VIII: REGULATORY AND STATUTORY DISCLOSURES.....	146
SECTION IX: ISSUE INFORMATION.....	156
TERMS OF THE ISSUE	156
ISSUE STRUCTURE	159
ISSUE PROCEDURE.....	163
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	191
SECTION X: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	192
SECTION IX: OTHER INFORMATION.....	209
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	209
DECLARATION	210

SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
“We”, “us”, “our”, “Issuer”, “the Company” and “our Company”	Unless the context otherwise indicates or implies to include refers to Jaishree Industries Limited.

Company Related Terms

Term	Description
Articles /Articles of Association	Articles of Association of our Company, as amended
Auditors	The statutory auditors of our Company being, U. K. Kamath & Associates, Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company or a committee constituted thereof
Directors	Directors of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of ₹ 10 each fully paid-up, unless otherwise specified in the context thereof.
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended.
Promoters	Shyam Sunder Maheshwari and Asha Devi Maheshwari.
Promoter Group	The companies and the individuals mentioned in the section titled “Our Promoters and Promoter Group” on page no. 99 of this Draft Red Herring Prospectus.
Registered Office	D-12, Rajouri Garden (Ring Road), New Delhi – 110027.

Conventional or General Terms

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
as	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
BPLR	Benchmark prime lending rate of the relevant bank
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant’s Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year

Term	Description
FIPB	The Foreign Investment Promotion Board
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
LIBOR	London Interbank Offered Rate
Mn / mn	Million
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NOC	No Objection Certificate
NEFT	National Electronic Fund Transfer
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The 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 as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to participate in this Issue.
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Re.	One Indian Rupee, the official currency of the Republic of India
RoC	The Registrar of Companies, Andhra Pradesh located at Hyderabad
Rs. / ₹	Indian Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Sec.	Section
SIA	Secretariat for Industrial Assistance
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The government of a state of India

Term	Description
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
UIN	Unique Identification Number
U.S./USA	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

Issue Related Terms

Term	Description
Allotment / Allot	Unless the context otherwise requires, the issue/allotment of Equity Shares, pursuant to the Issue.
Allottee	A successful Bidder to whom the Equity Shares shall be allotted
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make an offer to subscribe for or purchase our Equity Shares and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and Prospectus
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA
ASBA Public Issue Account	A bank account of the Company opened under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
Ashika	Ashika Capital Limited, Book Running Lead Managers for the Issue
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in “Issue Procedure – Basis of Allotment” on page no. 186 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of Bid cum Application Form or ASBA Bid cum Application Form, as the case may be, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe for or purchase our Equity Shares and which will be considered as the application for the issue of the Equity Shares pursuant to the terms of the Red Herring Prospectus and Prospectus
Bid/Issue Closing Date	The date after which the Syndicate Members will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Regional newspaper
Bid/Issue Opening Date	The date on which the Syndicate Members shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a widely circulated Hindi national newspaper and a widely circulated Regional newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and ASBA Bid cum Application Form
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date (inclusive of both days) and during which Bidders can submit their Bids, including any revisions thereof
Book Building Process	The book building process as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which this Issue is being made
BRLM / Book Running Lead Manager	The book running lead manager to the Issue, in this case being Ashika Capital Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and

Term	Description
	above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSB which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available on http://www.sebi.gov.in
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders whose Bid Amount does not exceed ₹ 200,000, are entitled to Bid at Cut Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at Cut-off Price.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus	This draft red herring prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe for or purchase the Equity Shares offered thereby.
Escrow Account(s)	The accounts opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	An agreement to be entered into by our Company, the Registrar, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks that are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account(s) will be opened and in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form.
Floor Price	The lower end of the Price Band, above which the Issue Price will be finalized and below which no Bids will be accepted.
Issue	Public issue of [●] Equity Shares of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share aggregating ₹ 5,686 Lakhs.
Issue Period	The Issue period shall be [●] being the Bid /Issue Opening Date to [●] being Bid / Issue closing Date
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Issue Proceeds	The proceeds of the Issue that would be available to our Company after receipt of final listing and trading approvals
Mutual Fund Portion	5% of the QIB Portion, equal to [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	Mutual fund(s) registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information on the use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on page no. 29 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue and comprising up to [●] Equity Shares available for allocation to Non Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident Indian/NRIs	A person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time

Term	Description
	to time
Non-Resident/NRs	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs, FIIs and FVCIs
Price Band	Price band of a minimum price (floor of the price band) of ₹ [●] and the maximum price (cap of the price band) of ₹ [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in two national newspapers (one each in English and Hindi) and in one Regional newspaper with wide circulation at least two working days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Escrow Collection Bank(s) to receive monies from the Escrow Account on the Designated Date
QIB Portion	The portion of the Issue being not more than 50% of the Issue, comprising of [●] Equity Shares of ₹ 10 each to be allotted to QIBs on a proportionate basis at the Issue Price
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million in accordance with applicable law and National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and Insurance Funds set up and managed by the army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts in India.”
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made
Refund Banker	Refund banker, in this case being [●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable.
Registrar / Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Pvt. Ltd.
Resident Retail Individual Investor or RRII	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount more than ₹ 200,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs) who have not Bid for Equity Shares for an amount more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUF applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue, comprising of [●] Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid / Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	BSE and NSE
Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	Agreement to be entered into between the Syndicate and our Company in relation to the

Term	Description
	collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Member(s)	Ashika Capital Limited
TRS / Transaction Registration Slip	The slip or document issued by the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement between the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Industry Related Terms / Abbreviations

Terms	Description
100% EOU	100% Export Oriented Unit
X th Plan	X th Five Year Plan 2002-2007 by the Planning Commission, Government of India
Aflatoxin	A toxic substance produced by many species of Fungus.
AICRP	All India Coordinated Research Projects
APPCB	Andhra Pradesh Pollution Control Board
ASP	Activated Sludge Process
BOD	Biological Oxygen Demand
CAPEXIL	Chemicals and Allied Products Export Promotion Council of India Limited
Carotenoids	Food sources of carotenoids include carrots, sweet potatoes, spinach, kale, collard greens, and tomatoes.
CDOS	Centre for Development of Stones
CO ₂	Chemical Symbol for Carbon Di-Oxide
COD	Chemical Oxygen Demand
COOIT	The Central Organization for Oil Industry and Trade
D & B	Dun & Bradstreet, Leading provider of international and Indian business information.
DAF	Dissolved Air Floatation
DG Set	Diesel Generator Set
DoC	De-Oiled Cake
Felsic Rocks	The class of rock which crystallizes from silicate minerals at relatively low temperatures and with relatively high percentage of silica is generally referred to as "felsic" rock.
Felspars	Also know as Feldspar. Part of a group of hard rock-forming minerals consisting of aluminium silicates of potassium, sodium, calcium, or barium: the principal constituents of igneous rocks.
FFA	Free Fatty Acids
FICCI	Federation of Indian Chambers of Commerce and Industry
Gangsaw	A powerful saw having several parallel blades making simultaneous cuts
H ₂ O	Chemical Symbol for Water
HDL	High – Density Lipoprotein
HSD	High Speed Diesel
IAF	International Accreditation Forum
ICAR	Indian Council of Agricultural Research
Kcal	Kilo Calories
KVA	Kilo Volt Ampere
KV	Kilo Volts
LDL	Low – Density Lipoprotein
m ³ / Day	Cubic Meters per Day
M cu m	Million Cubic Meters
MLSS	Mixed Liquor Suspended Solids
Miscella	A solution or mixture containing an extracted oil or grease.
MOFPI	Ministry of Food Processing Industries
MT	Million Tonnes
NH – 3	National Highway 3 as marked by the National Highway Authority of India
NRC	National Research Centre
NSIC	National Small Industries Corporation
Phospholipids	Any of various phosphorus-containing lipids that are composed mainly of fatty

	acids.
Polystyrene	A strong plastic that can be injected extruded, or blow molded; making it a very useful and versatile manufacturing material.
SAU	State Agricultural Universities
Sawn Tiles	A raw granite with natural & rough surface
SDA	State Departments of Agriculture
SMERA	Small & Medium Enterprises Rating Agency of India
Solvent	A liquid, solid, or gas that dissolves another solid, liquid, or gas.
SOPA	The Soybean Processors Association of India
Sq. Feet/ Sq. Ft.	Square feet
Sq. Km	Square Kilometres
Sq. Mtr. / Sq. Mt./Sq. Meters	Square Meters
Tocopherol	A class of chemical compounds of which many have Vitamin-E activity.
Torr	A unit of Pressure (not recognised by International System of Units) where 1 Torr = 133.32 Pascal
TPH	Tonnes Per Hour
TSP	Texturised Soya Products
USDA	United States Department of Agriculture

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and the SEBI (ICDR) Regulations, which are included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year. Our Company only has unconsolidated financial statements for the year ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and for the Half year ended September 30, 2010 as our Company does not have any subsidiaries.

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

In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding-off. Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP.

Currency and units of Presentation

All references to "Rupees" or "Rs." or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "U.S.\$", "USD", "U.S. Dollar(s)" or "US Dollar(s)" are to United States Dollars, the official currency of the United States of America. All references to GBP or "£" are to Pound Sterling, the official currency of the United Kingdom. All references to Euro or "€" are to Euro, the official currency of certain member states of the European Union.

This Draft Red Herring Prospectus contains translations of certain USD, GBP or Euro amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause VIII (G) of Part A, Schedule VIII of the SEBI (ICDR) Regulations.

Unless otherwise specified, all currency translations provided herein have been made based on the RBI reference rate specified as of September 30, 2010 which was US\$1.00 = ₹ 44.92, £1.00 = ₹ 71.14 and €1 = ₹ 61.00 (*Source: Reserve Bank of India available at www.rbi.org.in/scripts/ReferenceRateArchive.aspx*). Such translations should not be considered as representation that such foreign currency amounts have been, or could have been or could be converted into ₹ At any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, market and industry data used in this Draft Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the animation industry in India and methodologies and assumptions may vary widely among different industry sources.

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which is the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of the Company and the Underwriters have authorised, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

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

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

1. Failure to commence and complete our soybean extraction plant as scheduled;
2. Our inability to effectively diversify our portfolio of projects and to manage our growth or to successfully implement our business plan and growth strategy;
3. Our failure to keep up with any technological change or alternate forms of manufacturing;
4. Prolonged price competition, increased costs of raw materials or reduced operating margins;
5. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;
6. Foreign exchange rates, equity prices or other rates or prices;
7. The performance of the financial markets in India;
8. General economic and business conditions in India;
9. Changes in laws and regulations that apply to our clients and the media and entertainment sector;
10. Changes in political conditions in India.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors” and “Management’s Discussion of Financial Condition and Results of Operations” on page nos. xiii and 126 of this Draft Red Herring Prospectus.

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

SECTION II- RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections titled “Our Business” and “Management’s Discussion of Financial Condition and Results of Operations” on page nos. 62 and 126 of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. If the following risks occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

Materiality:

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

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

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

INTERNAL RISK FACTORS

1. There are outstanding legal proceedings involving our Company and our Promoter Group Entities

There are outstanding legal proceedings involving our Company, Promoters, Directors and our Group Companies. These proceedings are pending at different levels before various courts, tribunals, affiliate tribunals, enquiry officers, etc. For further details, see Section titled “Outstanding Litigations & Material Developments” on page no. 139 of this DRHP. In addition, further liability may arise out of these claims. Brief details of such outstanding litigations as of the date of this DRHP are as follows:

Litigation involving our Company:

(₹ in Lakhs)

Nature of Cases	No. of outstanding cases	Amount involved
Tax Proceedings	1	5.49

Litigation involving our Promoters:

(₹ in Lakhs)

Nature of Cases	No. of outstanding cases	Amount involved
Civil	2	7.92

Litigation involving our Promoter Group /Entities:

(₹ in Lakhs)

Group Entity	Nature of Cases	No. of outstanding cases	Amount involved
Jaishree Sangmermer Udyog (Proprietary Firm)	Tax Proceedings	1	5.85
	Civil Proceedings	1	1.76

Litigation against our Directors (other than Promoters):

(₹ in Lakhs)

Nature of Cases	No. of outstanding cases	Amount involved
Civil	1	8.02

- #### 2. We require number of statutory approvals, licenses, registrations and permits to develop and operate our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations and results

We require various statutory and regulatory licenses, permits and approvals to operate our business. Many of these licenses, permits and approvals are granted for a fixed period of time and need renewal from time to time. We are yet to apply for the Factory Licence, construction of factory building and Sanction for Power Connection with the relevant authorities for our proposed Soybean Plant in the area of Barlai Jagir, Tehsil Kshipra, Indore, Madhya Pradesh. The said application is proposed to be made in the month of September/October, 2011.

There can be no assurance that we will receive or renew such licenses, permits and approvals in the expected time frame anticipated by us or at all. Further, these permits, licenses and approvals are subject to several conditions and our company cannot assure that it shall be able to continuously meet the conditions and this may lead to cancellation, revocation or suspension of relevant permits, licenses and/or approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals may result in the interruption of our Company's operations and may have a material impact on our business. For further details regarding statutory approvals please refer to the section "Government and other approvals" on page no. 142 of this DRHP.

3. We have issued Equity Shares in the last twelve months and the price of such issuances may be lower than the Issue Price

We have issued certain Equity Shares to our Promoters, in the last twelve months, at a price that may be lower than the Issue Price. Details of such issuances are given in the table below:

Date of Allotment	Name of Allottee	No. of Shares	Issue Price	Reasons for Allotment
March 31, 2010	Shyam Sunder Maheshwari	3,210,000	10	Further Allotment to Promoter

The price at which the Equity Shares were being issued in last twelve months is not indicative of the price that may be offered in the issue. For Further details of equity shares issued, please refer to the section titled "Capital Structure" beginning on page no. 21 of this Draft Red Herring Prospectus.

4. Our Company has negative cash flow in the past 5 years, details of which are given below. Sustained negative cash flow could impact our growth and business

We had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per our Restated Financial Statements and the same are summarised as under:

(Rs in Lakhs)

Particulars	30 Sept, 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Net Cash used in Operating Activities	-	-	-	-	(12.43)	-
Net Cash used in Investing Activities	(5.62)	(758.32)	(56.06)	(9.96)	(18.56)	(213.98)
Net Cash used in Financing Activities	(19.07)	-	(137.32)	(65.06)	-	-

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

5. We have certain contingent liabilities and if any of them crystallises, this could affect our financial condition

As per our Audited Balance Sheet as on March 31, 2010 and our financial statements for the six month period ended September 30, 2010, contingent liabilities of Our Company are as follows:

(₹ in Lakhs)

Sr. No.	Particulars	September 30, 2010	March 31, 2010	March 31, 2009
1.	Sales Tax appeals pending with Deputy Commissioner of Commercial Tax, Returns, Rajasthan	5.49	5.49	5.49

In the event any of these contingent liabilities gets crystallised, our financial condition may be adversely affected. For further information please refer to the chapter titled “Auditors’ Report and Financial Information of Our Company” beginning on page no. 105 of this Draft Red Herring Prospectus.

6. We have not yet acquired land for the proposed Soybean Solvent Extraction Plant and any delay in acquisition of land may adversely affect the implementation schedule and the financial performance of our company

Our company intends to use ₹ 200 Lakhs out of the total Issue Proceeds for the acquisition of land. Although we have identified the location/area where we have proposed plans for setting of facilities for the Soybean Solvent Extraction Plant but we are yet to acquire the land required for the same. Any delay in acquisition of land would delay the plans of our company, which in turn could affect our financial performance. This forms approximately 3.52% of the total Issue proceeds. For further details, please refer section titled “Objects of the Issue” beginning on page no. 29 of this DRHP.

7. Our Company has availed Rs 70.15 Lakhs as unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition

Our Company as per the restated audited financial statement as on September 30, 2010 has availed total sum of ₹ 70.15 Lakhs as unsecured loan from our Promoter/Director and Promoter Group Entity which may be recalled at any time. For further details, please refer to the section “Unsecured Loans” under “Financial Statements” on page no. 105 of this DRHP. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

8. We have entered into a number of related party transactions which may involve conflicts of interest

We have entered into a number of related party transactions. The total amount of related party transaction for the period ended September 30, 2010 amounted to ₹ 224.33 lakhs, while total related party transactions over the last 5 years are ₹ 2,458.28 lakhs. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have obtained more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into such related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details related to such transactions refer to section titled ‘Financial Statements’- Related Party Transactions beginning on page no. 121 of this DRHP.

9. Our Promoters have interest in certain entities, which are engaged in similar businesses, which may create a conflict of interest. Further, we do not enjoy contractual protection by way of a non-compete or other agreement or arrangement with our Promoter Group Entities

Our Promoter Group Entities viz, M/s. Jaishree Sangmermer Udyog (Proprietorship concern) and M/s. Shyam Exports (Proprietorship concern) are involved in a similar line of business as that of Our Company i.e. trading in Granites & Stones. As on date, Our Company has not signed any non-compete or such other agreement / document with our Group Entities, thus the interests of these entities may conflict with Our Company’s interests and / or with each other if these entities expand their business in the future. For further details, please refer to the chapters titled ‘Business Overview’, ‘Our Promoters and Promoter Group’, beginning on page nos. 62 and 99, respectively and Annexure XII titled ‘Statement of Related Party Transactions’ on page no. 121 of this Draft Red Herring Prospectus.

10. Promoters do not have experience in Soybean Extraction Business and this could have an impact on the growth and future prospects of the company

Our Company has proposed to expand our Agri Commodities business by setting up a Soybean Extraction plant. However, the Promoters of our Company have no prior experience in the Soybean Extraction Business, as they are engaged in the business of Granite processing & trading and trading of Agri Commodities. Lack of experience could hinder the growth of this segment and thus affect the financial results of our Company as a whole.

11. Our Company does not have any long-term contracts with our customers which may adversely affect our results of operations

Our Company has not entered into long-term contracts with any of our dealers, retailers or distributors nor does it have any marketing tie up for its products with any of retail chain operators. Although we maintain healthy relations with our buyers, any change in the buying pattern of our end users can adversely affect the business of our Company. Our inability to sell our existing products as well as products to be produced after our proposed expansion, may adversely affect our business and profitability in future.

12. Our success largely depends on our ability to attract and retain our Key Managerial Personnel. Any loss of our Key Managerial Personnel could adversely affect our business, operations and financial condition

We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in his/her present position, it could be difficult to find a replacement, and business could thereby be adversely affected. Competition for Key Managerial Personnel in our industry is intense and it is possible that we may not be able to retain our existing Key Managerial Personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, loss of Key Managerial Personnel could adversely affect our business, results of operations and financial condition. For further details on the key managerial personnel of Our Company please refer to the chapter titled “*Our Management*” beginning on page no. 89 of this Draft Red Herring Prospectus.

13. Our Company has not appointed any Key Managerial Personnel for Proposed Expansion Project and it may face risk of timely unavailability of skilled manpower

We have not yet appointed skilled work force for the proposed project. The appointment of the key managerial personnel for the new project is critical for its timely and successful implementation.

However, the project is still at a very nascent stage and the general time to setup the plant & commence operations is about 8-10 months. We believe we will have enough time to appoint the required KMP for handling the day to day operations of the proposed project.

14. Our logo/trademark is not yet registered, but we have made an application to the Trade Mark Registry for the same

Our Logo/trademark is not registered. However, we have applied for the same on December 21, 2010 under Class 35 with Reference No. 2072122 and the same is pending before the Trademark Registry. In the event our trademark is subject to any challenge or is not registered for any reason or there is a delay in registration, our business and results of operations may be affected adversely.

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

We are in the process of expansion of our current businesses i.e. Granites & Stones and Agri Commodities. We have estimated the cost and drawn the implementation schedule based on our experience. Presently, the implementation is at a preliminary stage. Any delay in implementation of the same will increase the capital cost and also affect the realisation of returns from the project.

16. Execution of the objects of the Issue is dependent on performance of external agencies. Any non performance by these agencies may result in incremental cost and time overruns of the Project and in turn could adversely affect our business operations and profitability

Our expansion project and other objects of the Issue are dependent on performance of external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipments. We cannot assure that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements with respect to timeline and quality of performance, we may require replacing these external agencies which could result in incremental cost and time overruns of the objects of the Issue, and in turn could adversely affect our business operations and profitability.

17. Our proposed expansion plans are fully dependent on the success of this Initial Public Offer

Implementation of the Proposed Expansion Project for this issue is entirely dependent on receipt of the issue proceeds. Any delay in the issue process or any under-subscription of equity shares offered as part of this issue could adversely affect our growth plans and hence our business. Further, in the event there is an increase in the expenditure required to be incurred by us in respect of our expansion plans, consequent to increase in cost, change in laws, or for any other reasons and we are not able to meet the cost overruns, it could adversely affect our growth plans and profitability.

18. Our funding requirements and deployment of net proceeds of the Issue are based on management estimates and have not been independently appraised, and are not subject to monitoring by any independent agency

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution and are based on our estimates and on third party quotations. We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure & fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described in the chapter “Objects of the Issue” on page no. 29 are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control. Pending utilization of the Issue proceeds for the purposes described in this DRHP, we intend to temporarily invest the funds in high quality interest bearing liquid instruments, including deposits with banks. There can be no assurance that such investments will not carry risk or generate expected returns. For further details, please refer to the section “Objects of the Issue” on page no. 29 of this DRHP.

We are not required to appoint any Monitoring Agency for the issue pursuant to the SEBI (ICDR) Regulations, 2009.

19. The property used by our Company for our registered office and many of our showrooms / godowns / sales offices are not owned by us. Any adverse impact on the title/ownership rights of the Licensor/owner or breach of the terms/ non renewal of the lease / license agreement as per terms and conditions favourable to us or at all may temporarily impede our effective operations

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

Nature of Property on lease	Address of Property	Name of owner
Registered Office and Showroom	D-12, Rajouri Garden, New Delhi 110027	Promoter - Mr. Shyam Sunder Maheshwari
Quarry lease	Survey no. 13/P of Gummalampadu village, Pamuru Mandal Prakasam district, Andhra Pradesh	Government of Andhra Pradesh
Sales Office	Khasra No. 76, Village Satbari, Tehsil Hauz Khas, Mehrauli, New Delhi	Mr. Mehmood Ali
Godown	C-10/A & C-10/B, Mansarovar Garden, New Delhi.	Mr. Anil Kumar
Sales Office	DLF Marble Market, Sikanderpur, Gurgaon, Haryana	Mr. Desh Raj
Sales Office (Agri Commodities)	Flat No. 406, Utsav Avenue, 10/1 to 10/5, Ushaganj, Jaora Compounds, Indore – 452001	Ankita Agarwal

If such leases are terminated or not renewed, we may suffer a disruption in our operations and alternative premises may not be available at the same or similar costs or locations, either or both of which could have a material adverse effect on our business, financial condition and results of operations.

20. Some of the properties we own are not registered as a result of which our operations may be impaired

Certain of our properties we own are not registered. For details of properties not registered, please refer to the section ‘Properties’ in the Chapter “Our Business” beginning on page no. 62 of this DRHP. In the event of any such irregularity, we may not be able to enforce our rights under such agreements, businesses or properties in the event of a dispute with a third party unless we pay the applicable duty and penalty as applicable.

21. Our proposed business entails high working capital requirements and cash flows and our inability to arrange for the same, in a timely manner or at all, may adversely impact on the results of our operations

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

22. There are certain restrictive covenants in the Loan agreements entered into by us which could influence our ability to expand, in turn affecting our business and results of operations

Punjab National Bank has sanctioned/ approved certain Cash Credit, Fund Based and Non Fund based limits to Our Company. We would be subject to usual and customary restrictive covenants of the term loans and working capital facilities availed by us.

The following, *inter alia*, are some of the restrictive covenants, which are material in nature:

- Our Company shall not undertake capital expenditure or raise secured/unsecured loans from other banks/financial institutions without Bank's approval.
- Our Company shall not effect any change in Capital Structure without Bank's approval.
- Unsecured loan will not be withdrawn till the currency of loan.

Further, Our Company has created a charge on its assets in favour of Punjab National Bank. In case of default by Our Company in repayment of the loan, the bank may exercise their rights over the security, which may be detrimental to the interest of Our Company.

For details on the Secured Loans, please refer to the chapter titled "*Financial Indebtedness*" beginning on page no. 137 of this Draft Red Herring Prospectus.

23. We are yet to place orders for the entire plant and machinery aggregating to ₹ 2040.00 Lakhs required towards our expansion plans. Any delay in placing the orders or supply of plant and machinery may result in cost and time overrun and thereby affecting our profitability

We propose to acquire plant and machinery aggregating ₹ 2040.00 Lakhs for our expansion into Soybean Oil Extraction Business, but we have not yet placed any orders for the entire plant and machineries required. Further, we are subject to risks on account of inflation in the price of plant and machineries and fluctuation in the foreign currency. Any delay in placing the orders or supply of equipment may result in cost and time overrun. The details of quotations received are included in the chapter titled "Objects of the Issue" on page no. 29 of this Draft Red Herring Prospectus.

24. The proposed expansion of our existing Agri Commodities business into the Soybean Oil Extraction Business may not be profitable by itself

Our growth depends on our ability to innovate by offering new and good quality Soya products. Our Company will continue to make significant investments in research, development, and marketing for new products. Commercial success depends on many factors, including innovativeness, customer support, and effective distribution and marketing. If customers do not perceive our latest offerings as providing significant health benefits or other value, they may not purchase our products, which would unfavourably impact our revenue. As a result, the demand for our products and the income potential of this business is unproven. We may not achieve significant revenue from new product investments for a number of years, if at all. Moreover, new products may not be profitable, and even if they are profitable, operating margins for new products in the focus area may not be as high as the margins we have estimated. In addition, we may face stiff competition and lower margins, since the entry barrier for this product is easy. We may make errors in predicting and reacting to relevant business trends, which could harm our business.

25. Our businesses viz. Granites and proposed Soybean Oil Extraction are dependent on our manufacturing facilities. The loss of or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations

Our manufacturing facilities of Granites at S. No. 1166, S. N. Padu (V), Chimakurthy Road, Dist. Prakasam, Ongole – 523225 and of Proposed Soybean plant in the area of Barlai Jagir, Tehsil Kshipra, Dist. Indore are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, our ability to respond to technological advances and emerging industry standards and practices in the industries we operate and propose to operate on a cost-effective and timely basis, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities, and any other factors which may or may not be within our control. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

26. Improper storage, processing and handling of Soya Seeds may cause damage to our stock

Majority of our inventory will consist of Soya Seeds. We propose to store our inventory in Silos, Open Sheds etc. In the event the Soya Seeds is not appropriately stored, handled and processed it may affect the quality of the end products, which would impact our product quality and eventually our financials.

27. Our Company's inability to create & maintain distribution network for the proposed business can adversely affect our revenues

We sell our products with the help of distribution network of various dealers/retailers/distributors and agents. The distribution network sells our products to end users. Our inability to create, maintain or expand our existing distribution network as per the requirement of our proposed expansion plans, can adversely affect our growth and revenues. In case, if we are not able to market our manufactured products, it may affect our operations and profitability adversely.

28. Some of the tax benefits, which are presently available to our Company will not and/or may not be available in future

Our Company is eligible for certain income tax benefits such as under Section 10B of the Income Tax Act, 1961. For details of the tax benefits available to our Company please refer to section titled "Statement of Tax Benefits" on page no. 40 of this Prospectus. In case these exemptions are withdrawn or phased out, our tax liability will increase thereby reducing our profitability.

29. The capacity of the Granite Plant is not fully utilized and this could impair our ability to fully absorb fixed costs

The capacity of our Granite Plant has not been fully utilised, over the last five financial years, the details of which are as follows:

(Sq. Mtrs. In Lakhs)

Particulars	30 Sept 2010	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
Licensed Capacity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Installed Capacity	2.00	2.00	2.00	2.00	2.00	2.00
Utilised Capacity	0.45	0.75	0.65	0.74	0.58	0.29
% Utilisation	45.00%*	37.50%	32.50%	37.00%	29.00%	14.50%

* Annualised

Capacity Utilization is based on orders received from overseas customers. We do not process any excess quantity of granite as being a 100% EOU we are unable to sell any excess to local markets.

30. We are subject to risks arising from exchange rate movements and other adverse economic impact. Our financial results could be detrimentally affected by such unfavourable movements in exchange rates and other adverse economic impact

Although our functional currency is the Indian rupee, we transact a significant portion of our business in several other currencies, including but not limited to US\$, GBP and Euro. Our exchange rate risk primarily arises from our foreign currency revenues i.e. exports of Granites & Stones. We expect that, being a 100%

EOU, a majority of our revenues will continue to be generated in foreign currency for the foreseeable future. During the half year ended September 30, 2010 and for the year ended March 31, 2010 our foreign total revenues were ₹ 554.41 Lakhs and ₹ 880.23, which represented 24.33% and 21.39% of our total Revenues in the said period respectively. Fluctuations in the currency rates could adversely affect our results of operations.

Similarly any other adverse economic impact in such regions where we export could have an adverse effect on our business, results of operations and financial conditions.

31. Any change in our consumer's tastes, preferences or a change in their perception regarding the quality of our products may negatively affect the image and our reputation and in turn affect our revenues and profitability

The industry in which we operate is highly competitive and where goodwill and reputation are of huge significance. Although we have been in the business of refining edible oils for more than two decades, any occurrence of negligence and/or oversight in the process of refining, may lead to impure oil being sold in the market which could be harmful for the consumers. Any change in consumer's tastes, preferences or a change in their perception regarding the quality of our products, for reasons including those mentioned above, may negatively affect the image and reputation of our products and consequently that our Company. Further, such incidences may expose our Company to liabilities and claims and thus adversely affect our reputation, growth and profitability.

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

The market for our products is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

33. Our business is primarily dependant on the availability/supply and cost of raw materials which we source from domestic suppliers. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials, could adversely affect our results of operations

Rough Granite Slabs and Soybean seeds are the major raw materials for our existing & proposed businesses, respectively and represent a significant portion of our expenses. Any significant increase in the prices of this raw materials or decrease in the availability of the raw material, due to insufficient rainfall or for any other reason, could adversely affect our results of operations and consequently, our sales and profitability. Our failure to procure the raw materials in the necessary quantities at favourable prices, on schedule, of a specified quality and specification may adversely affect our production resulting in loss of reputation and customer base which could adversely affect our business, financial condition and results of operation.

34. We may be subject to inspections under the Prevention of Food Adulteration Act, 1954 at local levels which may result in imposition of penalty on us

Inspection proceedings are undertaken at local levels, under the Prevention of Food Adulteration Act, 1954, at regular intervals of edible samples that are proposed to be manufactured by us. We may not receive timely communication regarding the food sample inspections etc., collected by the food inspectors from the various storage and distribution centres like shops, depots and godowns of our Company. Consequently, we may fail to adhere to the directions of the authorities in a timely manner which may attract penal sanctions affecting our operations and financial condition.

35. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse affect on our business operations

Our insurance coverage is likely to cover all normal risks associated with the operation of our business but there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

RISK FACTORS RELATED TO EQUITY SHARES

36. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures

Our company has not declared any dividend during the preceding five financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends.

37. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares

Any future issuance of Equity Shares by our Company could dilute your shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering 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.

38. There is no existing market for the Equity Shares and the price of the Equity Shares may be volatile and fluctuate significantly in response to various factors

Prior to this Issue, there has been no public market for our Equity Shares. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian and global economy, significant developments in India's fiscal regime and other factors. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

EXTERNAL RISK FACTORS

39. Any changes in the regulatory framework could adversely affect our operations and growth prospects

We are subject to various regulations and policies. For details see section titled "Regulations and Policies" beginning on page no. 80 of this DRHP. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

40. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse affects on our operations and financial performance

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

41. Regional or International hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government Policy. Such incidents could also create a greater perception that investment in Indian Companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our company's equity shares.

42. Any slowdown in the rate of growth of the Construction Industry or slowdown in the economy could affect our growth prospects and there may be decline in profits

Construction industry growth is linked to the economic growth and any deceleration in economic growth will also reflect in the growth of the Construction Sector. Construction industry catering to Residential and Commercial premises will be adversely affected by any decline in the growth of the construction industry. Like all the other players in the construction industry, we will also be exposed to the risk of such deceleration in the growth of the industry.

43. An active market for the Equity shares may not develop which may cause the price of the equity shares to fall and may limit investor's ability to sell the Equity Shares

The Equity Shares are new issues of securities for which there is currently no trading market. Applications have been made to the BSE for the Equity Shares to be admitted to trading on the BSE. No assurance can be given that an active trading market for the equity shares will develop or as to the liquidity or sustainability of any such market, the ability of the holders of the Equity Shares to sell their Equity Shares or the price at which share holders will be able to sell their Equity Shares if an active market for the Equity Shares fail to develop or be sustain, the Trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at price that could be lower than the original Equity price of the issue.

44. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect Our Company's business

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect Our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm Our Company's business and financial performance, ability to obtain financing for capital expenditures and the price of Our Company's Equity Shares.

PROMINENT NOTES

1. Investors are free to contact the BRLM or the Compliance Officer for any complaints / information / clarification pertaining to this Issue. For contact details of the BRLM, please refer to the cover page of this DRHP.
2. Issue of [●] Equity Shares of ₹ 10/-each for cash at a price of ₹ [●] per Equity Share aggregating upto ₹ 5,686 Lakhs (hereinafter referred to as The “Issue”). The Issue would constitute [●] % of the fully diluted Post Issue Paid-Up capital of our Company.
3. The pre-issue net worth of our Company was ₹ 1,655.15 lakhs as per our restated audited financial statements as on September 30, 2010.
4. The average cost of acquisition of Equity Shares by our Promoters is.

Promoter	Average cost (₹)
Mr. Shyam Sunder Maheshwari	5.62
Mrs. Asha Devi Maheshwari	0.32

5. Book value per Equity Shares (of face value ₹ 10/-) of our Company, as per our restated audited financial statements as on September 30, 2010 was ₹ 20.98.
6. Trading in equity shares of our Company for all the investors shall be in dematerialised form only.
7. Other than details stated under the head “Capital Structure” beginning on page no. 21 of this DRHP, our company has not issued any shares for consideration other than cash.
8. For details on Related Party Transactions refer to the chapter titled “Related Party Transactions” page no. 121 of this DRHP.
9. Investors are advised to refer to the paragraph on “Basis for Issue Price” on page no. 37 of this DRHP before making an investment in this Issue.
10. This Issue is being made in terms of regulation 26 (1) of the SEBI Regulations and through 100% Book Building Process wherein not more than 50% of the Issue to the Public will be available for allocation to Qualified Institutional Buyers (“QIB”) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Funds Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
11. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIBs, Retail Individual Bidders and Non-Institutional Bidders. For details, refer to the chapter titled “Issue Procedure” on page no. 163 of this DRHP.
12. Under-subscription in the Issue, if any, in any category will be met by spill over from other categories at the discretion of the Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders.
13. Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form and also update their demographic details with their respective depository participant.
14. Investors are advised to go through the paragraph on “Basis of Allotment” beginning on page no. 186 of this DRHP.

15. Our Company, and the BRLM will update the DRHP in accordance with the Companies Act and the SEBI (ICDR) Regulations 2009 and our Company and the BRLM will keep the public informed of any material changes relating to our Company till the listing of our shares on the stock exchange.
16. All information shall be made available by the BRLM and our Company to the public and investors at large and no selective or additional information would be available only to a section of the investors in any manner whatsoever.
17. Our promoters, their relatives and associates, promoter group and our directors have not entered into any of the transactions in our Equity Shares directly or indirectly in the past six months except as mentioned under 'Notes to the Capital Structure' beginning on page no. 21 of this DRHP.
18. There were no transactions in the securities of Company during preceeding 6 months which were financed directly or indirectly by the Promoters, their relatives, their group companies or associates or by the entities directly or indirectly through other persons.
19. No loans and advances have been made to any person(s) / companies in whom Directors are interested except as stated in the Auditors Report on page no. 105 of this DRHP.
20. The aggregate value of transactions by the issuer with group / associate companies during the last three years is ₹ 1802.37 Lakhs, details of which are disclosed under "Auditors' Report beginning on page no. 105 of this DRHP.
21. For details of Contingent Liabilities please refer the Chapter "Financial Statements" on page no. 105 of this DRHP.
22. Our company was originally incorporated in the name of 'Jaishree Granites Private Limited' on January 5, 1996 under the Companies Act, 1956 in the State of Rajasthan. In the year 2003, the registered office of our Company was shifted from the State of Rajasthan to the NCR of Delhi pursuant to CLB order from Northern Region Bench vide C. P. No. 79/17/2002-CLB dated September 18, 2002. The name of our Company was changed to Jaishree Industries Private Limited by a special resolution passed on April 9, 2010 and the certificate of Incorporation dated April 20, 2010 pursuant to the name change was obtained from the Registrar of Companies, New Delhi. The status of our Company was changed to a public limited company and the name of our Company was changed to Jaishree Industries Limited by a special resolution passed on May 5, 2010. The fresh certificate of incorporation consequent to the change of name was granted to our Company on May 26, 2010, by the RoC.
23. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Promoter Group entities.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

GRANITE INDUSTRY

Indian Granite Industry

India, one of the leading countries in mining and export of granite, is rich in granite reserves. Geologically, the southern and eastern belts of the Nation are abundant in granite deposits. Different shades of granites are available in abundance in Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Assam, Bihar, Rajasthan, Orissa, Meghalaya and Madhya Pradesh. The dimension stone industry employs over one million people. This industry plays a vital role in the economy of states like Tamil Nadu, Andhra Pradesh, Karnataka and Rajasthan. Rural economies of many developing states like Madhya Pradesh, Uttar Pradesh, Orissa and North-Eastern States is dependent on this industry.

(Source: Indian Bureau of Mines)

Granite Production & Exports

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

Granite & Products Exports from India (Million Rupees)

	2005-06	2006-07	2007-08	2008-09	2009-10
Granite and Products	34904.91	47248.42	42874.85	48149.00	50508.00

(Source: CAPEXIL)

Granite Deposits

India is endowed with one of the best granite deposits in the world having excellent varieties comprising over 200 shades. India accounts for over 20% of the world resources in granite. Granite reserves in India have now been estimated by Indian Bureau of Mines at over 42,916 million cubic meters. The deposits are widely spread over the entire country. However, popular varieties are mainly found in South India.

(Source: Centre for Development of Stones – CDOS)

Prospects for the Granite Industry

The future of the Indian granite industry, post the economic crisis, for both blocks and finished products is encouraging. India can improve its export performance as the processing capacity is very low, with less than 5% of gangsaws installed in the world. The increase in export of blocks and finished products during the last few years is an indication of the encouraging signs of market improvement.

The demand for stone products is expected to continue increasing for the simple reason there is still a low level of consumption in many countries. The share of the stone industry is just 5% out of the world's annual consumption of 5 billion square meters and ceramics; wood, glass etc. occupy most of the market. Even a moderate increase of another 5% will increase hugely the demand for stone products.

(Source: Indian Bureau of Mines; litosonline.com)

AGRI COMMODITY INDUSTRY (FOOD GRAINS & PULSES)

Agriculture, as the largest private enterprise in India, is the lifeline of the economy. During 2008-09 the agricultural sector contributed to approximately 15.7 per cent of India's GDP (at 2004-05 prices) and 10.23 per cent (provisional) of total exports besides providing employment to around 58.2 per cent of the work force. Though the share of agriculture and allied sectors in total gross capital formation has also progressively declined for nearly two decades, this trend has since been arrested and the share of capital formation of the agriculture and allied sectors in GDP has increased from 14.1 per cent in 2004-05 to 21.3 per cent in 2008-09 (at 2004-05 prices).

Production of foodgrains during 2009-10 is estimated at 216.85 Million Tonnes (MT) as per 2nd Advance Estimates compared to 234.47 M.T. achieved during 2008-09. Production of rice is estimated at 87.56 M.T.

which is 11.62 M.T. lower compared to 99.18 M.T. during the previous year. Production of wheat is estimated at 80.28 M.T.(2nd Advance Estimates) which is 0.4 MT less as compared to 80.68 M.T. in 2008-09. Production of coarse cereals during 2009- 10 is estimated at 34.27 M.T. (2nd Advance Estimates) compared to the previous year's production of 40.03 M.T. during 2008-09.

Foodgrains & Pulses production in the Xth Plan, though did not achieve the targeted production, the last 3 years shows a promising trend

Crop	X th Plan		2007-08		2008-09		2009-10*	
	Target	Achieve ment	Target	Achieve ment	Target	Achieve ment	Target	Achieve ment
Rice	460.10	428.62	93.00	96.69	97.00	99.18	100.50	89.13
Wheat	386.56	351.71	75.50	78.57	78.50	80.68	79.00	80.71
Coarse Cereals	176.84	165.11	37.50	40.76	42.00	40.03	43.10	33.77
Pulses	76.60	66.76	15.50	14.76	15.50	14.57	16.50	14.59

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Foodgrains

Food Grain production in India has shown a great variance due to factors such as Rain, Availability of Seeds & Fertilizers, Regional growth etc. The details of season-wise area, production and yield of Foodgrains are given in table below:

Yield – Kg./Hectare; Prod. – Million Tonnes; Area – Million Hectares

Season	Kharif			Rabi			Total		
Year	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	72.67	110.58	1522	51.04	106.71	2091	123.71	217.28	1756
2007-08	73.56	120.96	1644	50.51	109.82	2174	124.07	230.78	1860
2008-09	71.43	118.14	1654	51.40	116.33	2263	122.83	234.47	1909
2009-10*	69.33	103.84	1498	52.04	114.36	2197	121.37	218.20	1798

* Fourth Advance Estimates as released on 19.07.2010.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Pulses

Pulses are a basic ingredient in the diet of a vast majority of the Indian population, as they provide a perfect mix of high biological value when supplemented with cereals. Pulses are also an excellent feed and fodder for livestock. The major pulses grown in the country are chickpea, pigeon pea (tur), moong bean, urd bean, field pea, and lentils.

The details of season-wise area, production and yield of pulses are given in table below:

Yield – Kg./Hectare; Prod. – Million Tonnes; Area – Million Hectares

Season	Kharif			Rabi			Total		
Year	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	10.67	4.79	449	12.52	9.40	751	23.19	14.20	612
2007-08	11.48	6.40	557	12.14	8.35	709	23.63	14.76	688
2008-09	9.81	4.69	478	12.28	9.88	804	22.09	14.57	659
2009-10*	10.42	4.21	405	12.74	10.53	826	23.16	14.74	637

* Fourth Advance Estimates as released on 19.07.2010.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Future of Indian Food Industry

According to the FICCI – E & Y Study, the Indian food industry is poised to grow by approximately 42.5% from the current US\$ 181 billion to US\$ 258 billion by the year 2015 and by 76% to US\$ 318 billion by the year 2020.

The study suggests that the number of households between middle and very rich class is supposed to grow by 300% between 2005 and 2015 which will have a significant impact on the food consumption of value added products like milk and milk products and meat & marine products.

SOYBEAN INDUSTRY

Soybean is largest grown oilseed in the world with 60% share as compared to other major source of oilseeds like Rapeseed (13%), Cottonseed (10%), Peanut (8%), Sunflower (7%) seed and Palm kernels. Among these major oilseeds, Soybean has the highest percentage, 82%, of meal extracted. The global soybean production outlook for 2010-11 stands at approximately 255 million tonnes down by around 2% from previous year's 260 million tonnes, as per USDA report.

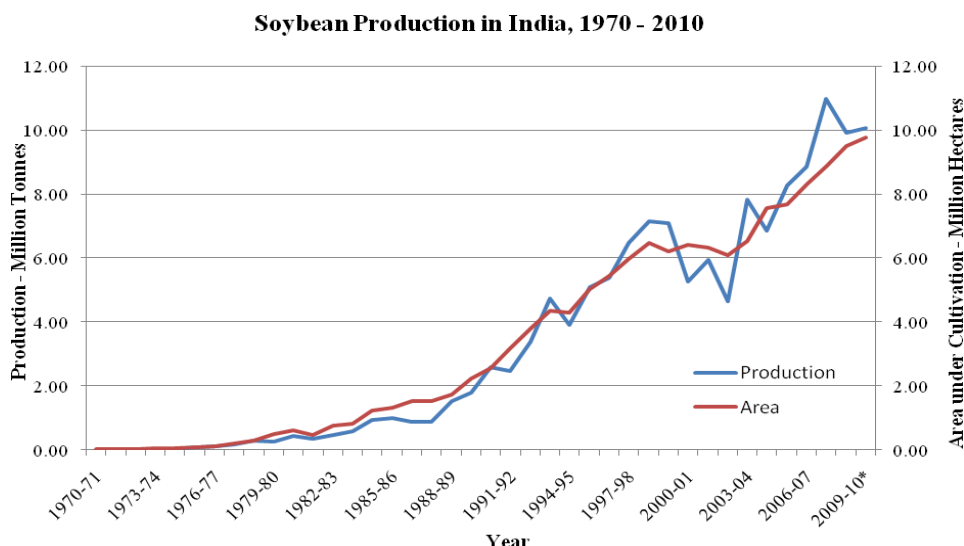
Indian Soybean Industry

Soybean holds a very important position in the Indian agriculture and economy and it has a worth of over ₹ 5,000 crores. As mentioned above, India stands at the 5th position in the list of the leading soybean producing countries with a production figure of around 9-10 million tons. However, India's share in world production is considerably low at 3%- 4%. India's Soybean area under cultivation and production over a period of 40 years is illustrated in the graph below.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

India's 2010-11 Soybean production is forecast at 9.2 million tons. Area is forecast at 9.5 million hectares, down 0.1 million or 1 percent from last year. The major factor for increased production forecast is the good rainfall experienced during this year. The 2010 monsoon rainfall for the country as whole was 4 percent above normal with central India (the major soybean region) receiving 6 percent above normal for the period between June and September. There were a few isolated regions of drier – than – normal conditions in northern Madhya Pradesh and in southern Rajasthan, which contributed to the slightly lower planted area compared to last year.

(Source: Agricultural Commodity Prices)



(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

SOYBEAN PRODUCTS

Soybean Oil

Soybean oil is the world's largest source of vegetable oil. This vegetable oil is a very healthy food ingredient and does not contain much saturated fat. It is also the principal source of omega-3 fatty acids and the primary commercial source of vitamin E as well. Soybean oil contains natural antioxidants which

remain in the oil even after extraction. Often termed as a healthy and nutritious cooking medium, this oil has special advantage over other oils as it is low in calories due to higher level of polyunsaturates. The neutral flavour and well-balanced fatty acid profile of soybean oil make it a desirable ingredient for a variety of applications from baked goods to salad dressings.

Soybean Meal

Soya meal is extracted from the soybean, regarded as an important crop throughout the world. Soya meal is regarded as the best vegetable protein food source and accounts for over 65% of the world's protein requirements. A solvent extraction method is used in the production of the soya meal where the beans are first crushed and subsequently, the soya oil and soya meal are extracted. It is a highly preferred food source as it is easily digestible, protein rich and also due to its energy giving nature. Soybean is the preferred oilseed after groundnuts of which India is the largest producer. It is produced by solvent extraction method where the oil is extracted and then defatted. Soya meals can be used to prepare sweet or savory baby food. Soybean meals are high in B-complex vitamins, have a proven ability to lower cholesterol levels and is anti carcinogenic. Soy contains essential amino acids, proteins and other nutrients and is classified as a food and drug.

Lecithin

Lecithin is a co-produce of degumming soybean oil. After processing, it is available in powder, granules, or liquid form and has different properties depending on their composition and method of production. Lecithin has many functional properties as an emulsifier, antioxidant, lubricant, anti-dusting agent, mixing and blending agent, and wetting and separating agent. Lecithin plays a vital role in human cell function and is believed to aid in liver function, cardiovascular health, physical and athletic performance, and fetal development, and may increase brain capacity and improve memory. It has multiple uses in foods and beverages, animal feed, health and nutrition products, cosmetics, and industrial coatings. For the majority of these uses, relatively small amounts (0.1% to 2%) of the lecithin are needed.

Soya Nuggets

Soya nuggets / chunks are commonly referred as vegetarian meat. The protein in the fiber undergoes structural changes and forms a fibre like network. Generally used as meat substitute, the product is free from cholesterol. Its energy value is as follows:

Energy	336 kcal
Protein:	54. 2g
Carbohydrate	28. 9g
Calcium	533mg
Iron	21. 2mg

Soy Nuggets, an extruded product obtained from defatted soya flour is a protein filled meal which acts as a powerful protein supplement. Soy Nuggets are rich in both soluble and insoluble fiber which helps in lowering blood glucose and blood cholesterol level.

SUMMARY OF OUR BUSINESS

OVERVIEW

Our Company, Jaishree Industries Limited (formerly known as Jaishree Granites Private Limited) is a producer of granite tiles and slabs in India with an annual installed capacity of 200,000 Sq. Meters. The core products of our company are polished granite slabs & tiles. Our Company manufactures a vast range of granite. It includes more than 80 colours and textures of the granite. Our Company also manufactures counter tops for export purposes. Other products of company include cobbles and curb stones. The service of company includes packaging and transporting of the product. We intend to expand our product range in this industry by venturing into trading of Imported Marbles.

Our Company is also engaged in the trading of Agri-Commodities (Food Grains & Pulses) since December 2009. Here, we intend to expand our operations by entering into Manufacturing of Refined Oil from Soybean seeds and other Soybean Products.

GRANITES & STONES

Mr. Shyam Sunder Maheshwari who has 22 years of experience in the field of Granites & Stones has promoted our Company along with Mrs. Asha Devi Maheshwari in the year 1996 in Behror in the State of Rajasthan. Primarily our company was engaged in trading of natural stones and it was buying finished granite & marble slabs from the manufacturers and supplying them into the local market. In the year 2003 the registered office & operations of our company was shifted to New Delhi from Behror. Gradually, with increasing international demands, our company ventured towards manufacturing. We have set up a processing plant at Ongole (Andhra Pradesh) which has gained the status of a 100% Export Oriented Unit and is also equipped with state of art indigenous machinery.

Our Quality Management System has received an ISO certification, ISO 9001:2008 from KVQA Certification Services Pvt. Ltd. certifying our management systems for quality, environment, occupational health and safety management. This certification scope is accredited by the Norsk Akkreditering of Norway which is a member of the International Accreditation Forum (IAF). Our Company has also received a rating of "SE 2A" from NSIC – D&B – SMERA (National Small Industries Corporation; Dun & Bradstreet; Small & Medium Enterprises Rating Agency of India) signifying us in the category of 'High Financial Strength and High Performance Capability'.

Expansion: New Product

Our Company now proposes to commence trading in imported marble as an expansion to the existing business of Granites & Stones. Imported Marble as a product is parallel to the Indian Granites & Stones market, i.e. the products do not eat into each other's market share. Being in the Indian Granites Business for more than a decade, expansion, by introducing Imported Marbles will be a great opportunity for our company to expand its market share and also market presence.

Our company proposes to import Polished Marble Slabs under the Open General License policy, while the Rough Marble Blocks to be procured directly from the Importers of such Rough Blocks. The Polished Marble Slabs and the Rough Marble Blocks are generally imported from Turkey, Italy, Spain, Oman, Vietnam, Norway, Brazil, and other parts of the world. The Rough Blocks will be sent for processing to obtain Polished Marble Slabs. We propose to sell the Polished Marble from our company's existing retail outlets.

AGRI – COMMODITIES

In December 2009, our Company diversified into the area of trading in Agri Commodities, concentrating on Food Grains & Pulses. The Food Grain industry is characterised by huge number of buyers and sellers with varying quantities of food grains to buy & sell. We procure the food grains & pulses and sell to wholesalers who for demographic and various other reasons cannot reach the sellers directly. Our primary motive for entering into the business of food grains & pulses was to gain exposure in this industry thus creating a base for further expansion in Soybean Extraction in the near future and other Agri-Commodities in the long run.

Our Food Grains & Pulses Business is based out of Indore. We carry out our operations from our branch office at Indore which is situated at Flat No. 406, Utsav Avenue, 10/1 to 10/5, Ushaganj, Jaora Compounds, Indore - 452001

In the one year of our trading operations we have built a strong base of suppliers and customers as well as selling agents, which we believe will form the foundation of our Soybean business.

Proposed Expansion to Soybean Processing

Our Company has now planned to expand its Agri Commodities business by entering into the manufacture of Oil from Oil Seeds. The potential Soybean project aims to manufacture and market Soybean Oil and other Soybean Products to cater to Indian as well as the International markets.

Our Company is proposing to establish a production and processing plant in the area of Barlai Jagir, Tehsil Kshipra, Dist. Indore, Madhya Pradesh for the production & processing of Soybean Seeds, Edible Soya Flour, Soya Nuggets, Vegetable Oil and Soya Lecithin etc. The proposed unit will also have a refinery which will be based on home produced oil from solvent extraction plant using soybeans.

Solvent Extraction plant will process soybean for de-oiled soya meal production. Soya De-Oiled Cake (DoC) is a product of extracting oil from Soybean seeds during extrusion-pressing processing. The oil cake has high exchange energy, contains a lot of fibre, oil, mineral substances. We believe that DoC has a huge demand in Europe & US for growing farm animals such as poultry and swine on an industrial scale and for aquaculture.

COMPETITIVE STRENGTHS

Granites & Stones

Management Expertise

Our Promoters have been engaged in the business of granites & stones for more than 2 decades. Our Group has proprietary firms in similar line of business i.e. trading of Granites & Decorative Stones under Jaishree Sangmermer Udyog and trading & export of Granites & Decorative Stones under M/s. Shyam Exports. Our promoters, over the years have gained experience of setting up & running a manufacturing plant.

Cordial Relationship between management and labour

We enjoy cordial relations with our employees and there is no union that represents our employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

Competitive Prices and Operating Efficiency

We strive to offer our customers with the best rates possible thus forming part of our customer retention strategy. We are able to provide competitive rates as having a manufacturing unit helps us control our costs. We have taken on lease a granite mine which provides for part of Raw Material for our processing plant. This helps us to control some of our Direct Costs. Also, our manufacturing unit is able to maintain a better efficiency as the finished products are directly sold at our shops / showrooms to the end consumer/wholeseller.

Strong Customer portfolio

We have, over the years built for ourselves a well known position in the industry. Our customer / client list includes Indian realty developers like Nagarjuna Construction & Ansal Housing and overseas clientele like Marblemosaics Ltd., UK, Aqua Fit, Switzerland, etc. to name a few. Having our own 100% EOU, adds to our advantage as we are able to Process granites as per the requirements of the customers.

Locational Advantage

Our unit is based in Ongole, Andhra Pradesh which is in close proximity to the major markets of Hyderabad & Chennai. This proximity to a metropolitan city has its inherent advantages. The location is near to Chennai sea port and the many granite slabs mines are situated in close proximity. Besides the

infrastructure, transportation & manufacturing facilities in & around the area help in availing trained labour.

Tax Incentives

As per the provisions of Section 10B of the Income Tax Act, 1961, our Company is eligible to claim deduction in respect of Profits & Gains derived from its 100% Export Oriented Unit (EOU). However, this deduction is subject to compliance with certain conditions as mentioned in the above Act.

Agri Commodity Business

Strategic Utilization of Distributor Network

Our Company is already in the business of trading in agri commodities since December 2009. Over a period of one year, we have set up a considerable distributor network and contacts with suppliers and customers for agri products. This will form a base for expansion of the current agri trading activity into Manufacture of Oil from Oil Seeds and thus utilising the distributor network for marketing and distribution of our Soya products.

Our edible oil distribution network will comprise of wholesalers/ agents. Initially, we will sell our products through various wholesalers & /or agents located at various parts of country. Gradually, we intend to build & develop our own brand.

Potential Demand predicted by Industry Standards

Our company's proposed Soybean business looks promising on account of Industry data which predicts a growing demand supply gap for edible oil.

India's Production of Major Oilseeds 2005-2006 to 2009-2010

(in million tones)

Sr. No.	Oilseeds	2009-10	2008-09	2007-08	2006-07	2005-06
1	Groundnut	4.90	6.25	7.29	4.86	7.99
2	Rapeseed & Mustard	6.40	6.70	7.06	7.44	8.13
3	Soybean	8.75	9.10	9.45	8.85	8.27
4	Sunflower	0.82	1.00	1.12	1.23	1.44
	Total	20.87	23.05	24.92	22.38	25.83

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Indigenous oilseeds production, hovering around 24.0 to 26 million tones per annum, has been just insufficient.

(in million tones)

Oil Year (Nov. Oct.)	Production of Oilseeds	Net availability of edible oils from all domestic sources	Consumption of Edible Oils (domestic and import sources)
2004-2005	24.35	7.25	11.79
2005-2006	27.98	8.32	12.60
2006-2007	24.29	7.37	11.59
2007-2008	29.75	8.65	14.26

(Source: Production of oilseeds: Ministry of Agriculture)

Thus, there is on average a shortfall of nearly 3.7 - 4.3 MT per annum in the domestic market.

Import of Vegetable Oil

Year	Qty (Lakh tonnes)
2009-10	100.46
2008-09	93.21
2007-08	64.10
2006-07	48.29
2005-06	45.29

(Source: Import Export Data Bank, Department of Commerce, Govt. of India)

Though, Imports have only doubled in last 5 years, prices in domestic market remain high. The above factor provides a strong business case for strengthening presence in Indian edible oil market by domestic refining of crude edible oil and selling it through existing established distribution network. Despite massive production of vegetable oil in the country, the country has been compelled to import the same. We believe that demand supply gap is going to increase in the coming years.

Strategic location of manufacturing units

The proposed Indore Unit, situated at Barlai Jagir, Tehsil Kshipra, is strategically located near the high consumption area as well as in close proximity of the raw material source. We believe that the location of this unit, which is adjacent to the high consumption regions such as Uttar Pradesh, Jharkhand Bihar, West Bengal, Assam, Nepal and Bangladesh, will help in reduction of our distribution costs. The unit will be in a region well connected by railways and roadways, which will reduce transportation cost, save spillages and facilitate distribution of our products to the high consumption regions.

Integrated Operations

Our operations are designed to be fully integrated, starting from solvent extraction capability, refineries to refine the crude oil, processing the de-oiled cake to cater to the animal feed sector and also manufacturing of other Soya products like Nuggets, Flour, and Lecithin etc. We intend to market our products all across India and thus create a strong customer base.

Sufficient Warehousing capabilities

We are proposing to set up storage facility for 10,000 MT of Soya Seeds by installing a Silo the proposed site of the plant. The warehouse will be strategically located on the route which leads to the nearby soya producing belt. As the raw material will be under our physical possession the quality, pilferage and damages will be minimal. Also we are building a special storage for Hexane which is used as a consumable. We propose to build 3 Storage tanks of 20 Kilo Litres each. Also we have proposed 100 MT of storage for Bulk Oil.

Transport Facilities

Indore is well connected by both road and rail. It is connected to a National Highway, NH – 3, which connects Mumbai and Delhi thus having easy access to a major route. An extensive network of roads effectively serves different parts of the town and the industrial area.

SUMMARY FINANCIAL INFORMATION

The following summary financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations 2009 and restated as described in the Auditor's Report (Peer Review) of R. Mahajan & Associates, Chartered Accountants dated January 28, 2011 in the section titled "Financial Statements" beginning on page no. 105 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated consolidated financial statements for the year ended March 31, 2006, 2007, 2008, 2009, 2010 and for half year ended September 30, 2010 including the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page no. 126 of this Draft Red Herring Prospectus.

SUMMARY STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

(₹ in Lakhs)

Particulars	30 sep. 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Fixed Assets						
Gross Block	1139.02	1133.02	322.88	309.56	303.64	285.08
Less: Depreciation	136.37	124.20	97.83	76.90	58.66	31.84
Net Block (A)	1002.65	1008.82	225.05	232.66	244.98	253.24
Investment (B)	17.19	24.88	52.89	3.71	3.71	3.71
Current Assets, Loans & Advances						
Inventories	636.74	526.44	434.63	239.09	240.18	71.45
Sundry debtors	927.11	421.58	184.76	291.31	200.14	97.49
Cash & Bank Balances	11.02	19.43	6.09	36.50	26.22	17.70
Loans And Advances	464.36	472.73	204.78	106.44	200.18	152.24
Other Current Assets	11.51	13.63	11.99	11.15	7.29	25.91
Total (C)	2050.74	1453.82	842.25	684.49	674.01	364.79
Liabilities and Provisions						
Secured Loans	462.18	505.53	116.86	217.51	257.86	242.55
Unsecured Loans	70.15	14.40	5.61	63.96	92.50	25.50
Deferred Tax Liabilities	1.50	1.60	1.62	1.86	2.20	2.96
Current Liabilities and Provisions	885.09	508.63	202.50	198.76	374.57	268.72
Total (D)	1418.93	1030.16	326.59	482.09	722.02	539.73
Net Worth (A+B+C-D)	1655.15	1457.36	793.60	438.77	200.68	82.01
Represented by:						
Equity Share Capital	783.48	783.48	462.48	8.60	1.10	1.10
Share Application Money	11.00	11.00	0.00	0.00	0.00	0.00
Reserves and Surplus	860.67	662.88	331.12	430.17	199.58	80.91
Less: Miscellaneous Expenditure						
Net Worth	1655.15	1457.36	793.60	438.77	200.68	82.01

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in Lakhs)

Particulars	30 sep 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Income						
Sales						
Manufacturing	607.37	1113.38	1020.40	948.45	657.49	321.08
Trading	1888.65	3001.98	278.87	527.64	178.61	152.69
Less: Excise Duty on Sales	0.00	0.00	0.00	0.00	0.00	0.00
Net Sales	2496.02	4115.36	1299.27	1476.09	836.10	473.77
Other income	0.99	24.96	8.58	0.68	2.42	3.90
Forex Fluctuation	0.00	0.00	19.49	22.29	0.00	0.00
Increase/(Decrease) in Inventories	110.45	89.04	189.68	2.70	148.34	44.15
Total Income	2607.46	4229.36	1517.02	1501.76	986.86	521.82
Expenses						
Material Consumed	223.74	424.81	523.33	494.17	404.60	183.03
Purchase (trading)	1954.06	3022.96	383.51	395.74	170.38	85.57
Manufacturing & direct Expenses	101.07	204.38	155.83	203.83	144.51	86.41
Personnel cost	21.57	38.95	30.73	41.62	25.10	13.23
Administrative Expenses	45.07	39.45	16.84	27.00	15.63	23.29
Selling & Distribution expenses	5.65	37.54	49.36	74.00	42.83	39.52
Forex fluctuation	8.77	22.00	0.00	0.00	0.07	3.49
Total Expenses	2359.93	3790.09	1159.60	1236.36	803.12	434.54
Profit Before Interest & Depreciation	247.53	439.27	357.42	265.40	183.74	87.28
Less: Interest Expenses & financial charges	31.48	20.45	26.08	31.29	37.69	6.59
Profit before depreciation	216.05	418.82	331.34	234.11	146.05	80.69
Less: Depreciation	12.17	26.36	20.94	22.27	26.82	2.71
Profit Before Tax & Prior Period Adjustment	203.88	392.46	310.40	211.84	119.23	77.98
Add/(Less): Prior Period Adjustment/ extra ordinary items	(6.30)	(37.18)	0.00	0.00	0.00	0.00
Profit Before Tax after prior period adjustments	197.58	355.28	310.40	211.84	119.23	77.98
Less: Provision for Taxation						
Current Tax	(7.18)	(19.75)	(2.90)	(3.86)	(1.28)	(.38)
Fringe Benefit Tax			(0.63)	(0.19)	0.00	0.00
Deferred Tax Liability/ Assets	0.10	0.02	0.24	0.34	0.76	(0.51)
Excess provision of Income Tax Written Back (2009-10)	6.54	0.00	0.00	0.00	0.00	0.00
Profit After Tax	197.04	335.55	307.11	208.13	118.71	77.09

SUMMARY OF CASH FLOW STATEMENT, AS RESTATED

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(Loss) before Taxation & extraordinary items	203.88	392.46	310.40	211.84	119.23	77.98
Adjustments for :						
Depreciation	12.17	26.36	20.94	22.27	26.82	2.71
Interest charged to P&L A/c	31.48	20.45	26.08	31.29	37.69	6.59
Subsidy amortized	0.00	-0.03	-0.03	-0.04	-0.04	-0.05
Net Loss/Profit on sale of Investment	0.10	-23.82	-6.45	0.00	0.00	0.00
Net Loss/Profit on sale of asset	0.00	0.00	0.00	0.00	0.00	-3.56
Operating Profit before Working Capital Changes	247.63	415.42	350.94	265.36	183.70	83.67
Adjustment for:						
Trade & other receivable	-495.03	-506.41	6.77	-1.29	-131.97	-245.91
Inventories	-110.30	-91.81	-195.54	1.09	-168.73	-49.90
Trade payables	375.83	291.38	3.74	-175.81	105.85	212.56
Direct taxes	0.00	-8.75	-2.94	-4.45	-1.28	-0.38
Cash flow from extra ordinary item	-0.07	-37.18	0.00	0.00	0.00	0.00
Net Cash from Operating Activities (A)	16.28	62.65	162.97	85.30	-12.43	0.04
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	-6.00	-810.14	-13.33	-9.96	-18.56	-226.61
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	8.04
Purchase of Investment	0.00	-121.18	-277.41	0.00	0.00	0.00
Dividend Received	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Investment	0.37	173.00	234.68	0.00	0.00	4.59
Net Cash used in Investing Activities (B)	-5.63	-758.32	-56.06	-9.96	-18.56	-212.55
CASH FLOW FROM FINANCING ACTIVITIES.						
Proceeds from Unsecured Loans (Net)	55.75	8.79	-58.35	-23.42	61.89	0.00
Proceeds from Bank borrowings (Net)	-43.34	388.67	-100.65	-40.35	15.31	242.55
Increase in share capital	0.00	321.00	23.88	7.50	0.00	0.00
Subsidy received	0.00	0.00	0.00	15.00	0.00	0.00
Money received towards Share Application money	0.00	11.00	0.00	0.00	0.00	-7.25
Money received towards Security Premium	0.00	0.00	23.88	7.50	0.00	0.00
Interest Paid	-31.48	-20.45	-26.08	-31.29	-37.69	-6.59
Net Cash Receipt/ Used in Financing Activities (C)	-74.82	709.01	-137.32	-65.06	39.51	228.71
Net Increase/ Decrease in Cash & Cash Equivalents (A + B + C)	-8.41	13.34	-30.41	10.28	8.52	14.77
Cash & Cash Equivalents As on beginning of year	19.43	6.09	36.5	26.22	17.7	2.93
Cash & Cash Equivalents As on end of year	11.02	19.43	6.09	36.5	26.22	17.70

THE ISSUE

Public Issue of Shares by our Company	[●] Equity Shares of FV ₹ 10/- each for Cash at a price of ₹ [●] aggregating to ₹ 5,686 Lakhs
<i>Of Which</i>	
(A) Qualified Institutional Buyers (QIB) Portion	Not more than [●] Equity Shares of FV ₹ 10/- each, constituting not more than 50% of the Issue (<i>allocation on proportionate basis</i>) for cash at a price of ₹ [●] aggregating ₹ 2,843 Lakhs
<i>of which</i>	
Available for allotment to Mutual Funds	[●] Equity Shares of FV ₹ 10/- each, constituting 5% of the QIB allocation at a price of ₹ [●] aggregating to ₹ 142.15 Lakhs
Balance for all QIBs including Mutual Funds	[●] Equity Shares of FV ₹ 10/- each, constituting remaining portion of the QIB portion at a price of ₹ [●] aggregating to ₹ 2,700.85 Lakhs
(B) Non-Institutional Portion	Not Less than [●] Equity Shares of FV ₹ 10/- each, constituting not less than 15% of the Issue (<i>allocation on proportionate basis</i>) for cash at a price of ₹ [●] aggregating ₹ 852.90 Lakhs
(C) Retail Portion	Not Less than [●] Equity Shares of FV ₹ 10/- each, constituting not less than 35% of the Issue (<i>allocation on proportionate basis</i>) for cash at a price of ₹ [●] aggregating ₹ 1,990.10 Lakhs
Equity Shares outstanding prior to the Issue	78,348,500 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of FV ₹ 10/- each
Use of Issue Proceeds	See the Section “Objects of the Issue” on Page no. 29 of this DRHP

** Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.*

GENERAL INFORMATION

Our Company was incorporated as Jaishree Granites Private Limited on January 5, 1996. In the year 2003, the registered office of our Company was shifted from the State of Rajasthan to the NCR of Delhi pursuant to CLB order from Northern Region Bench vide C. P. No. 79/17/2002-CLB dated September 18, 2002. The name of our Company was changed to Jaishree Industries Private Limited by a special resolution passed on April 9, 2010 and the certificate of Incorporation dated April 20, 2010 pursuant to the name change was obtained from the Registrar of Companies, New Delhi. The status of our Company was changed to a public limited company and the name of our Company was changed to Jaishree Industries Limited by a special resolution passed on May 5, 2010. The fresh certificate of incorporation consequent to the change of name was granted to our Company on May 26, 2010, by the RoC.

Registered Office	D-12, Rajouri Garden, (Ring Road), New Delhi 110027
Works / Factory	S. No. 1166, S. N. Padu (V), Chimakurthy Road, Dist. Prakasam, Ongole – 523225
Address of Registrar of Companies	4 th floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 India Tel: 011-26235703-04; Fax: 011-26235702; Email: roc.delhi@mca.gov.in
Registration Number	17-011350 of 1995-96
CIN No	U01403DL1996PLC118279
Website	http://www.jaishreegranites.com
Email	ipo@jaishreegranites.com

BOARD OF DIRECTORS

As per the applicable provisions of the Companies Act and our Articles, our Company cannot have less than 3 and more than 12 Directors. We currently have 6 Directors.

Name, Address, Age	Status	Designation	DIN
Shyam Sunder Maheshwari C – 91A, Mansarover Garden, New Delhi – 110015 Age: 47	Executive & Non – Independent Director	Chairman & Managing Director	00631314
Asha Devi Maheshwari C – 91A, Mansarover Garden, New Delhi – 110015 Age: 44	Non – Executive & Non – Independent Director	Director	00631521
Vaibhav Maheshwari C – 91A, Mansarover Garden, New Delhi – 110015 Age: 21	Executive & Non – Independent Director	Whole time Director	03011138
Kailash Chand Agrawal B-27, Apoorva Apartment, Plot no. 14, Dwarka, Sector- 5, New Delhi – 110075 Age: 45	Non-executive and Independent Director	Additional Director	03375361
Sandeep Bhardwaj alias Sharma B-10/15, Rajouri Garden, New Delhi – 110027 Age: 44	Non-executive and Independent Director	Director	03117940
Sanjay Mantri FA-347, Block FA, Mansarovar Garden, New Delhi – 110015. Age: 37	Non-executive and Independent Director	Director	03204945

For further details of our directors, see the section titled “Our Management” on page no. 89 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Abhinav Leekha

D-12, Rajouri Garden,
(Ring Road),
New Delhi 110027
Tel: +91 11 4144 4471
Fax: +91 11 4142 0985
Email: abhinav@jaishreegranites.com

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

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

Issue Management Team

BOOK RUNNING LEAD MANAGER

Ashika Capital Limited

1008, Raheja Centre, 10th Floor,
214, Nariman Point,
Mumbai - 400 021.
Tel: + 91 – 22 – 6611 1700
Fax: + 91 – 22 – 6611 1710
Email: mbd@ashikagroup.com
Website: www.ashikagroup.com
SEBI Regn. No: INM000010536
Contact Person: Mr. Niraj Kothari / Mr. Pranav Nagar

LEGAL COUNSEL TO THE ISSUE

M. Dhruva & Partners

Advocates & Solicitors

502-503, Prospect Chambers,
Dr. D. N. Road, Fort,
Mumbai - 400 001.
Tel No: +91-22-22044688
Fax No: +91-22-22044687
Email: jilipo@mdhruvapartners.com
Contact Person: Mr. Manthan Unadkat

REGISTRAR TO THE ISSUE

Karvy Computershare Private Limited

Plot Nos. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500081
Toll Free No.: 1-800-3454001
Tel: +91-40-44655000
Fax: +91-40-23431551
Email: jaishree.ipo@karvy.com
Website: <http://karisma.karvy.com>
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

* For all issue related queries and for redressal of complaints, investors may also write to the Registrar to the Issue or the Book Running Lead Manager.

STATUTORY AUDITOR

U. K. Kamath & Associates
Chartered Accountants

Flat No. M-1, 6,
Community Centre,
(Near PVR), Naraina,
New Delhi - 110028
Tel No: +91-11-41410527 / 41005026
Email: ca_ukkamath@yahoo.com

INDEPENDENT AUDITOR (Peer Review Certificate)*

R. Mahajan & Associates,
Chartered Accountants.

402, Jain Building, 18/12,
W.E.A. Karol Bagh,
New Delhi - 110005
Tel No: +91-11-42503546 / 47
Fax No.: +91-11-42503548
Email: rcamahajan@yahoo.com

** R. Mahajan & Associates, Chartered Accountants, holds a Peer Review Certificate issued by the Institute of Chartered Accountants of India, New Delhi*

ADVISOR TO OUR COMPANY

Mr. Shyam S. Gupta

Chartered Accountant
305, Milindas Manor,
2 RNT Marg, Indore -
Tel No: +91-731-2525978
Email: sgupta2004@rediffmail.com

BANKERS TO OUR COMPANY

Punjab National Bank

Shalimar Bagh Branch,
New Delhi - 110088
Tel No.: +91-11-27483976
Fax No.: +91-11-27484590
Email: bo4184@pnb.co.in
Contact person: Mr. A. S. Srivastava

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

[•]

REFUND BANKER

[•]

SYNDICATE MEMBER(S)

[•]

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI website.

IPO GRADING

Our Company will appoint and will obtain a grading of this Issue from [●] a credit rating agency registered with SEBI, pursuant to SEBI (ICDR) Regulations. The rationale furnished by the grading agency for its grading will be available for inspection and will be provided to the Designated Stock Exchange and updated at the time of filing of the Red Herring Prospectus with the RoC.

CREDIT RATING

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

TRUSTEES

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

MONITORING AGENCY

There is no requirement for a Monitoring Agency in terms of the SEBI (ICDR) Regulations since the Issue size is less than ₹ 5,000 million. The Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

Sr. No.	Activity
1.	Capital Structuring with the relative components and formalities such as type of instruments, etc.
2.	Conducting a due diligence of the Company's operations/management/business plans/legal, etc. Drafting and designing the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus. Ensuring compliance with the SEBI (ICDR) Regulations 2009 and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges upto bidding and coordinating interface with lawyers for agreements
4.	Primary co-ordination of drafting/proofing of the design of the Red Herring Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.
5.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.
6.	Appointing the Registrars, Appointing Bankers to the Issue, Appointing other intermediaries viz., printers and advertising agency
7.	Marketing of the Issue, which will cover inter alia: <ul style="list-style-type: none">▪ Formulating marketing strategies, preparation of publicity budget,▪ Finalising media & public relations strategy,▪ Finalising centres for holding conferences for press and brokers etc,▪ Finalising collection centres,▪ Following-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material,▪ Preparing all road show presentations,▪ Appointment of brokers to the issue, and▪ Appointment of underwriters and entering into underwriting agreement.
8.	Coordinating institutional investor meetings, coordinating pricing decisions and institutional allocation in consultation with the Company
9.	Finalising the Prospectus and RoC filing
10.	Co-ordinating post bidding activities including management of Escrow accounts, coordinating with registrar and dispatch of refunds to Bidders, etc.
11.	Follow-up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
12.	The Post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of

	certificates and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business.
	The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company.

BOOK BUILDING PROCESS

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

- The Company;
- The BRLM;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members appointed by the BRLM;
- Registrar to the Issue;
- Escrow Collection Banks; and
- SCSBs.

This Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIB”) Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI (ICDR) Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Please refer to the section titled “Issue Procedure” on page no. 163 for more details.

Our Company will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI from time to time for this Issue. In this regard, we have appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

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

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

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

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

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure - Who Can Bid” on page no. 164 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values, ensure that you have mentioned your PAN and (see section titled “Issue Procedure – Permanent Account Number” on page no. 181);
4. Ensure that the Bid cum Application Form and the ASBA Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and ASBA Bid cum Application Form; and
5. Bids by QIBs will have to be submitted to the BRLM only.
6. Bids by ASBA Bidders will have to be admitted to the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue, including at any time after the Bid Opening Date but before the Board meeting for Allotment. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal, within two (2) days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	 ●
BID/ISSUE CLOSES ON	 ●

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids

2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 200,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE. It is clarified that the Bids not uploaded in the book would be rejected.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM, Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members does not fulfil its underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriters including through its Syndicate/Sub Syndicate. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lakhs)
Ashika Capital Limited 1008, Raheja Centre, 10 th Floor 214, Nariman Point, Mumbai – 400 021.	[•]	[•]

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

The above mentioned is indicative underwriting and this would be finalized after the pricing and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●] and has been approved by the Board of Directors.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full as per schedule VIII, Part A, (VI) (B) (15) of SEBI (ICDR) Regulations, 2009 have been complied with. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement with the underwriters.

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

The underwriting arrangements mentioned above shall not apply to the subscription by the ASBA Bidders in this issue.

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Draft Red Herring Prospectus with SEBI, is set forth below:

		<i>(in Rupees, except share data)</i>	
		Aggregate Nominal Value	Aggregate Value at Issue Price
A.	Authorized Capital		
	20,000,000 Equity Shares of face value of ₹ 10 each	200,000,000	
B.	Issued, Subscribed and Paid-Up Equity Capital before the Issue		
	7,834,850 Equity Shares before the Issue	78,348,500	
C.	Present Issue in terms of this Draft Red Herring Prospectus*		
	[●] Equity Shares of ₹ 10 each at an Issue Price of ₹ [●] per share	[●]	568,600,000
	Of Which:*		
	QIB Portion – not more than [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] per share	[●]	284,300,000
	NI Portion – not less than [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] per share	[●]	8,590,000
	Retail Portion – not less than [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] per share	[●]	199,010,000
D.	Issued, Subscribed and Paid-Up Capital after the Issue		
	[●] Equity Shares of ₹ 10 each	[●]	[●]
E.	Securities Premium Account		
	Before the Issue		2,388,500
	After the Issue**		[●]

* Under-subscription, if any, in any of the above categories would be allowed to be met with spill over inter-se from other categories, at the sole discretion of the Company and BRLM.

** The Share Premium account after the issue will be determined only after the Book Building Process.

The present Issue in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors in their meeting on October 25, 2010 and by the shareholders of our Company at the EGM held on November 19, 2010.

Changes in the Authorised Capital

Our Company was incorporated on January 5, 1996 with an initial Authorised Capital of ₹ 100,000 divided into 10,000 Equity shares of ₹ 10 each

Date of Change/Meeting	Existing Capital		Additional Capital		Total Capital		Remarks
	No. of Shares	₹ / Share	No. of Shares	₹ / Share	No. of Shares	₹ / Share	
On Incorp.	-	-	10,000	10	10,000	10	Incorporation
09.08.2002	10,000	10	1,000	10	11,000	10	Increase / EGM
10.10.2005	11,000	10	489,000	10	500,000	10	Increase / EGM
25.02.2009	500,000	10	9,500,000	10	10,000,000	10	Increase / EGM
30.09.2010	10,000,000	10	10,000,000	10	20,000,000	10	Increase / AGM

NOTES TO CAPITAL STRUCTURE

1. Share Capital History of our Company

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Name of Allottee	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital (₹)	Cumulative Share Premium (₹)
January 8, 1996	20	10	10	Cash	Subscription to Memorandum	20	200	NIL

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Name of Allottee	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital (₹)	Cumulative Share Premium (₹)
March 25, 1997	490	10	10	Cash	Shyam Sunder Maheshwari	510	5,100	NIL
March 25, 1997	490	10	10	Cash	Asha Devi Maheshwari	1000	10,000	NIL
August 13, 2002	5,000	10	10	Cash	Shyam Sunder Maheshwari	6,000	60,000	NIL
August 13, 2002	5,000	10	10	Cash	Asha Devi Maheshwari	11,000	110,000	NIL
September 19, 2007	60,000	10	20	Cash	Shyam Sunder Maheshwari	71,000	710,000	600,000
September 19, 2007	10,000	10	20	Cash	Asha Devi Maheshwari	81,000	810,000	700,000
September 19, 2007	5,000	10	20	Cash	Ms. Sunita Rander	86,000	860,000	750,000
March 25, 2009	3,275,000	10	--	Bonus*	Shyam Sunder Maheshwari	3,361,000	33,610,000	NIL
March 25, 2009	775,000	10	--	Bonus*	Asha Devi Maheshwari	4,136,000	41,360,000	NIL
March 25, 2009	250,000	10	--	Bonus*	Sunita Rander	4,386,000	43,860,000	NIL
March 25, 2009	238,850	10	20	Cash	Shyam Sunder Maheshwari	4,624,850	46,248,500	2,388,500
March 31, 2010	3,210,000	10	10	Cash	Shyam Sunder Maheshwari	7,834,850	78,348,500	2,388,500

* Pursuant to EGM held on 25.03.2009, our company has issued 4,300,000 Bonus Shares in the ratio of 50 equity share for every 1 equity share held to the shareholders, who have been allotted the shares on March 25, 2009, by way of capitalization of Share Premium Account and Profit & Loss A/c.

2. Our Company has not Issued Shares for consideration other than cash except for Shares as mentioned under:

Date of Allotment	Name of the Allottees	No. of Equity Shares	FV (₹)	Nature of Allotment	Benefits Accrued to the Company
March 25, 2009	Shyam Sunder Maheshwari	3,275,000	10	Issue of Bonus Shares in the ratio of 50:1	No
March 25, 2009	Asha Devi Maheshwari	775,000	10	Issue of Bonus Shares in the ratio of 50:1	No
March 25, 2009	Sunita Rander	250,000	10	Issue of Bonus Shares in the ratio of 50:1	No

3. Our Company has not allotted any Shares in terms of any scheme approved under sections 391-394 of the Companies Act 1956
4. We have not revalued our assets since inception and we have not issued any Equity Shares out of revaluation reserves.
5. Our Company has allotted Equity Shares during preceding one year from the date of the DRHP which may be lower than the Issue price and the details of the allotment are as under:

Date of Allotment	Name of the Allottees	No. of Equity Shares	FV (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Whether part of Promoter / Promoter Group
March 31, 2010	Shyam Sunder Maheshwari	3,210,000	10	10	Cash	Further Issue of Shares	Yes

6. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. Additionally, if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures we may enter into and/or we may raise additional capital to fund accelerated growth, subject to the compliance with the relevant guidelines/regulations etc.
7. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed or refund of the application money, as the case may be.
8. Shareholding of Promoter & Promoter Group before and after the Issue.

Category of Promoters	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
1. Promoter				
Shyamsunder Maheshwari	6,788,950	86.65	6,788,950	[●]
Asha Devi Maheshwari	790,500	10.09	790,500	[●]
2. Immediate Relatives of Promoter				
Vaibhav Maheshwari*	100	0.001	100	[●]
3. Companies in which 10% or more of the share capital is held by the Promoter / an immediate relative of the Promoter / a firm or HUF in which the Promoter or any one or more of their immediate relatives is a member	--	--	--	--
4. Companies in which company mentioned in c. above holds 10% or more of the share capital	--	--	--	--
5. HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	--	--	--	--
6. All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the Promoter Group".	--	--	--	--
Total Promoter & Promoter Group Holding	7,579,550	96.74	7,579,550	[●]
Total Paid up Capital	7,834,850	100	[●]	100

* 100 Shares were transferred by Shyam Sunder Maheshwari to Vaibhav Maheshwari on April 26, 2010 at a price of ₹ 19/- per share.

9. During the past six months, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company.

10. Built-up of Promoters Shareholding

Date of Allotment /Transfer	Nature of Transaction	Nature of Consideration	No of Equity Shares	FV (₹)	Issue / Transfer Price (₹)	Cumulative No. Of Shares	% of Pre Issue Paid – Up Capital	% of Post Issue Paid – Up Capital
Mr. Shyam Sunder Maheshwari								
08.01.1996	MoA	Cash	10	10	10	10	N. A.	[●]
25.03.1997	Allotment	Cash	490	10	10	500	0.01	[●]
13.08.2002	Allotment	Cash	5,000	10	10	5,500	0.06	[●]
19.09.2007	Allotment	Cash	60,000	10	20	65,500	0.77	[●]

25.03.2009	Bonus	Non-Cash	3,275,000	10	--	3,340,500	41.80	[●]
25.03.2009	Allotment	Cash	238,850	10	20	3,579,350	3.05	[●]
31.03.2010	Allotment	Cash	3,210,000	10	10	6,789,350	40.97	[●]
26.04.2010	Transfer	Cash	(400)	10	19	6,788,950	(0.01)	[●]
Mrs. Asha Devi Maheshwari								
08.01.1996	MoA	Cash	10	10	10	N. A.		[●]
25.03.1997	Allotment	Cash	490	10	10	500	0.01	[●]
13.08.2002	Allotment	Cash	5,000	10	10	5500	0.06	[●]
19.09.2007	Allotment	Cash	10,000	10	20	15,500	0.13	[●]
25.03.2009	Bonus	Non-Cash	775,000	10	--	790,500	9.89	[●]

Promoters' Contribution and Lock-in

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI (ICDR) Regulations. In this connection, as per Regulation 33 of the SEBI (ICDR) Regulations, our Company confirms the following:

1. The Equity Shares offered for minimum 20% Promoters' contribution are not acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoters' contribution;
2. The minimum Promoters' contribution does not consist of Equity Shares acquired during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
3. Our Company has not been formed by the conversion of a partnership firm into a company;
4. The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge;
5. The minimum Promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and
6. The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

Details of Promoters' Shareholding which shall be locked-in are given below:

Date of Allotment /Transfer	Nature of Transaction	Nature of Consideration	No of Equity Shares	FV (₹)	Issue / Transfer Price (₹)	% of Lock in	Lock in Period (Years)
Mr. Shyam Sunder Maheshwari							
08.01.1996	MoA	Cash	10	10	10	[●]	[●]
25.03.1997	Allotment	Cash	490	10	10	[●]	[●]
13.08.2002	Allotment	Cash	5,000	10	10	[●]	[●]
19.09.2007	Allotment	Cash	60,000	10	20	[●]	[●]
25.03.2009	Bonus	Non-Cash	3,275,000	10	--	[●]	[●]
25.03.2009	Allotment	Cash	238,850	10	20	[●]	[●]
31.03.2010*	Allotment	Cash	3,209,600**	10	10	[●]	[●]
Sub - Total (A)			6,788,950				
Mrs. Asha Devi Maheshwari							
08.01.1996	MoA	Cash	10	10	10	[●]	[●]
25.03.1997	Allotment	Cash	490	10	10	[●]	[●]
13.08.2002	Allotment	Cash	5,000	10	10	[●]	[●]
19.09.2007	Allotment	Cash	10,000	10	20	[●]	[●]
25.03.2009	Bonus	Non-Cash	775,000	10	--	[●]	[●]
Sub - Total (B)			790,500				

* Shares allotted to Shyam Sunder Maheshwari on March 31, 2010 will not be locked in as eligible minimum promoters' contribution as the price is likely to be lower than the proposed issue price.

** 400 Shares sold by Mr. Shyam Sunder Maheshwari on April 26, 2010 to others.

As per clause (a) sub-regulation (1) Regulation 32 of SEBI (ICDR) Regulations, 2009 and with reference to the table above, the below mentioned Equity Shares held by Promoters, as per sub-regulation (a) of Regulation 36 of SEBI (ICDR) Regulations, 2009, shall be locked in for a period of 3 years from the date of Allotment of the shares in this Public Issue.

Sr. No.	Name of Promoter	Total Number of Equity Shares	% of Post Issue Paid – up Capital*
1.	Mr. Shyam Sunder Maheshwari	[●]	[●]
2.	Mrs. Asha Devi Maheshwari	[●]	[●]
	TOTAL	[●]	20.00

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

Our Company has obtained specific written consent from our Promoters for inclusion of the above Equity Shares held by it for the lock-in. All Equity Shares held by our Promoters in our Company are free from pledge.

In addition to the Equity Shares proposed to be locked-in as part of the Promoters' contribution as stated above, the entire pre-Issue equity share capital of our Company constituting [●] Equity Shares will be locked-in for a period of one year from the date of Allotment in the Issue.

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that (i) the pledge of Equity Shares is one of the terms of sanction of the loan; and (ii) if the shares are locked in as Promoters' contribution for three years under Regulation 39(b) of the SEBI (ICDR) Regulations, such Equity Shares may be pledged, only if, in addition to fulfilling the requirements of paragraph (i), the loan has been granted by the banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 40 of the SEBI (ICDR) Regulations, subject to the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 - (i) the Equity Shares held by the Promoters and locked-in as per Regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer; and (ii) the Equity Shares held by persons other than promoters and locked-in as per Regulation 37 may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred; provided that, lock-in on such Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI (ICDR) Regulations has expired.

11. There has been no financing arrangement whereby the Directors and/ or their relatives have financed the purchase of Equity Shares of our Company, by any other person during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.
12. The securities which are subject to lock-in shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depositories. The details of lock-in shall be provided to the stock exchanges where the shares are to be listed, before listing of the securities
13. Equity Shares held by Promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution, subject to the following:

- a) If the specified securities are locked-in for 3 years in terms of clause (a) of regulation 36 of SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan.
- b) If the specified securities are locked-in for one year in terms of clause (b) of regulation 36 of SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.

14. Shareholding pattern of our Company

The table below represents our shareholding pattern in accordance with Clause 35 of the Listing Agreement:

Category code	Category of Shareholder	No. of Shareholders	(Pre-Issue)		Number of shares held in dematerialized form	(Post-Issue)		Shares Pledged or otherwise Encumbered	
			No. Of Shares	%		No. Of Shares	%	No. of Shares	As a %
(A)	Shareholding of Promoter and Promoter Group								
1	Indian								
(a)	Individuals / Hindu Undivided Family	3	7,579,550	96.74	0	[•]	[•]	-	-
(b)	Bodies Corporate	-	-			-	-	-	-
(c)	Central Government / State Government(s)	-	-			-	-	-	-
(d)	Financial Institutions / Banks	-	-			-	-	-	-
(e)	Any Others(Specify)	-	-			-	-	-	-
(e-i)	Trust	-	-			-	-	-	-
	Sub Total(A)(1)	3	7,579,550	96.74	0	[•]	[•]	-	-
2	Foreign								
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-			-	-	-	-
(b)	Bodies Corporate	-	-			-	-	-	-
(c)	Institutions	-	-			-	-	-	-
(d)	Any Other, Specify	-	-			-	-	-	-
	Sub Total(A)(2)	-	-			-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	3	7,579,550	96.74	0	[•]	[•]	-	-
(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/ UTI	-	-			-	-	-	-
(b)	Financial Institutions / Banks	-	-			-	-	-	-
(c)	Insurance Companies	-	-			-	-	-	-
(d)	Foreign Institutional Investors	-	-			-	-	-	-
	Sub-Total (B)(1)	-	-			-	-	-	-
2	Non-institutions								
(a)	Bodies Corporate	-	-			-	-	-	-
(b)	Individuals								
I	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3	300	Negligible	0	[•]	[•]	-	-
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1	255,000	3.26	0	[•]	[•]	-	-
(c)	Any Other (specify)	-	-			-	-	-	-
(d)	Public Issue	-	-	-	-	[•]	[•]		
	Sub-Total (B)(2)	4	255,300	3.26	0	[•]	[•]		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	4	255,300	3.26	0	[•]	[•]	-	-
	TOTAL (A)+(B)	7	7,834,850	100.00	0	[•]	[•]	-	-

Category code	Category of Shareholder	No. of Shareholders	(Pre-Issue)		Number of shares held in dematerialized form	(Post-Issue)		Shares Pledged or otherwise Encumbered	
			No. Of Shares	%		No. Of Shares	%	No. of Shares	As a %
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-			-	-	-	-
GRAND TOTAL (A)+(B)+(C)		7	7,834,850	100.00	0	[•]	100	-	-

15. Our Company, our Promoters, our Directors and the BRLM have not entered into any buy-back and/or safety net arrangements for the purchase of Equity Shares of our Company from any person, other than as disclosed in this Draft Red Herring Prospectus.
16. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. The number of Equity Shares to be issued to the Promoters and subject to lock-in will be determined after finalization of Issue Price. The number of shares to be issued to the Promoters will be such so as to ensure that the minimum contribution of 20% of the Post Issue paid-up capital is made and that the same is locked in for a period of 3 years.
17. Since the entire money of ₹ [•] per share (₹ 10 face value + ₹ [•] premium) is being called on application, all the successful applicants will be issued fully paid-up shares only.
18. Not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. For further details, see "Issue Structure" beginning on page no. 159 of this Draft Red Herring Prospectus.
19. Shareholders of our Company and the number of Equity Shares held by them is as under:

(a). As of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Shyam Sunder Maheshwari	6,788,950	86.65
2.	Asha Devi Maheshwari	790,500	10.09
3.	Sunita Rander	255,000	3.25
4.	Vaibhav Maheshwari	100	0.00
5.	Rakesh Maheshwari	100	0.00
6.	Dharmendra Maheshwari	100	0.00
7.	Ghanshyam Sarda	100	0.00
Total		78,34,850	100.00

(b). Top ten shareholders as of ten days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Shyam Sunder Maheshwari	6,788,950	86.65
2.	Asha Devi Maheshwari	790,500	10.09
3.	Sunita Rander	255,000	3.25
4.	Vaibhav Maheshwari	100	0.00

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
5.	Rakesh Maheshwari	100	0.00
6.	Dharmendra Maheshwari	100	0.00
7.	Ghanshyam Sarda	100	0.00
Total		78,34,850	100.00

(c). Two years prior to date of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	Shyam Sunder Maheshwari	65,500	76.16
2.	Asha Devi Maheshwari	15,500	18.02
3.	Sunita Rander	5,000	5.81
Total		86,000	100.00

20. The BRLM or associates of the BRLM do not hold any Equity Shares in our Company.
21. Our Company does not have any employee stock option plan as on the date of this Draft Red Herring Prospectus.
22. Our Company has not raised any bridge loan against the proceeds of this Issue.
23. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
24. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the section titled "Our Management" beginning on page no. 89 of this Draft Red Herring Prospectus.
25. Our Company, our Directors, our Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Red Herring Prospectus.
26. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus with SEBI and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
27. As on the date of this Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares. There is no Share Application Money pending allotment as on the date of filing this DRHP.
28. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
29. There are restrictive covenants in the agreements entered into by our Company with certain lenders for short-term and long-term borrowing. For further details, see the section "Financial Indebtedness" on page no. 137 of this Draft Red Herring Prospectus.
30. As of date of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is Seven (7).
31. As on the date of filing this Draft Red Herring Prospectus with SEBI, the entire issued Share Capital of our Company is fully paid-up.

SECTION IV: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Objects of the Issue are:

Sr. No.	Particulars
I.	To expand the Agri Commodity business by setting up Soybean Solvent Extraction Plant & Ancillary Units
II.	To meet Working Capital Requirement for the Proposed Expansion project (Marble & Soybean Oil Extraction)
III.	To meet General Corporate Expenses
IV.	To meet Issue Expenses

Further, Our Company believes that listing will enhance our Company's brand name further and create a public market for its Equity Shares in India.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake existing activities as well as activities for which the funds are being raised through this Issue.

Requirement of Funds

(₹ in Lakhs)		
Sr. No.	Purpose of IPO Proceeds	Amount
I.	To expand the Agri Commodity business by setting up Soybean Solvent Extraction Plant & Ancillary Units	2,865
II.	To meet Working Capital Requirement for the Proposed Expansion project (Marble & Soybean Oil Extraction)	2,096
III.	To meet General Corporate Expenses	350
IV.	To meet Issue Expenses	375
	Total	5,686

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

Means of Finance

The aforementioned fund requirement will be met entirely from the proceeds of this Issue and shortfall if any, will be met from the internal accruals of the Company. In case of any variations in the actual utilization of funds earmarked for the objects mentioned above or in case of increased fund requirements for a particular object, the shortfall, if any, may be financed by surplus funds, if any, available from other objects and/or our Company's internal accruals and/or loans that may be availed from the banks/financial institutions, to the extent of such shortfall. Any surplus from the proceeds of the Issue after meeting the objects mentioned above, if any, will be used for our general corporate purposes.

In view of the dynamic nature of this industry and as a new entrant in this industry, we may have to revise our business plans from time to time and consequently our fund requirements may also change, which may include rescheduling or re-working of our expansion. Any such change in our plans may require rescheduling of our expenditure programs, at the discretion of our management / Board. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays; and changes in management's views of the desirability of current plans, among others.

Since the fund requirement will be met entirely from the proceeds of this Issue, there is no requirement for any other firm arrangements of finance. Accordingly, Regulation 4(2)(g) of the SEBI Regulations for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue does not apply to us. The free reserves of our Company for the half year ended September 30, 2010 are ₹ 860.67 Lakhs.

Details of Objects of the Issue

I. Expand our Agri Commodity business by setting up Soybean Solvent Extraction & Ancillary Plants

Our Company intends to expand Agri Commodities business by venturing into the manufacture of edible oils, primarily from Soybean seeds, by setting up Solvent Extraction plant. The proposed project will be set up in the area of Barlai Jagir, Tehsil Kshipra, Dist. Indore, Madhya Pradesh. For details of the proposed business plan, please refer to the chapter “Our Business” on page no. 62 of this DRHP.

Break - up of the Cost Estimates

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Land	200.00
2.	Land Development	7.00
3.	Building & Civil Works	450.00
4.	Plant & Machinery (Including Erection & Commission)	2,040.00
5.	Miscellaneous Fixed Assets	60.00
6.	Preliminary & Pre-Operative Expenses	59.00
7.	Contingencies	49.00
TOTAL		2,865.00

1. Land

The Land requirement for the project is estimated at 12 acres. Our Company has identified a location for the proposed project. The identified Location is situated in the village of Barlai Jagir, Tehsil Kshipra, Dist. Indore, Madhya Pradesh. Our Management estimates that the Land required in the above-mentioned area would cost ₹ 200 Lakhs.

2. Land / Site Development

Development comprising of compound wall (partial fencing), levelling, gate for complex, internal road, etc. Space will be left for oil and water storage tank platform, D.M. softening plant, fuel storage tank, parking, green belt, etc.

Sr. No.	Particulars	Amount (₹ in Lakhs)
a.	Fencing	2.00
b.	Levelling & Filling	0.50
c.	Gate & Pillar	1.00
d.	Roads	3.00
e.	External Drainage, Water Drains, Septic Tanks etc.	0.50
Total		7.00

3. Building & Civil Works

The total Building & Civil Works cost is estimated at ₹ 450 Lakhs. These estimates are based on quotations obtained from P. S. Consultants, Government Registered Valuer (Reg. No.: F-3816/C-1) having office at 26/A, Bakhtawar Ram Nagar, Near Ajit Club, Indore – 452018.

(₹ in Lakhs)

Sr. No.	Particulars	Type	Size	Area in Sq. Feet	Amt
1.	SOLVENT EXTRACTION PLANT				
a.	Preparatory Section	RCC Frame; Asbestos Cement Sheet Roofing	65×40 = 2600 Sq. Mt.	27976 Sq. ft. @ ₹ 350 / Sq. ft.	97.91
b.	Shed for Solvent Extraction Plant	RCC Frame; Asbestos Cement Sheet Roofing	45×35 = 1575 Sq. Mt.	16947 Sq. ft. @ ₹ 250 / Sq. ft.	38.13
c.	De-Oiled Cake Godown	RCC Frame; Asbestos	65×35 =	24479 Sq. ft. @ ₹	61.19

		Cement Sheet Roofing	2275 Sq. Mt.	250 / Sq. ft.	
d.	Underground Hexane Tank		8.2×5 = 41 Sq. Mt.	441.16 Sq. ft. @ ₹ 225 / Sq. ft.	0.99
2.	REFINERY				
a.	Refinery Plant	RCC Frame; Asbestos Cement Sheet Roofing	35×35 = 1225 Sq. Mt.	13181 Sq. ft. @ ₹ 225 / Sq. ft.	29.65
b.	Oil Packaging Unit	RCC Structure	30×30 = 900 Sq. Mt.	9684 Sq. ft. @ ₹ 225 / Sq. ft.	21.79
3.	VALUE ADDED PRODUCTS				
a.	Soya Flour Plant	RCC Structure	35×20 = 700 Sq. Mt.	7532 Sq. ft. @ ₹ 225 / Sq. ft.	16.94
b.	Lecithin Powder Plant	RCC Structure	35×35 = 1225 Sq. Mt.	13181 Sq. ft. @ ₹ 225 / Sq. ft.	29.65
c.	Soya Chunks Unit	RCC Structure	35×35 = 1225 Sq. Mt.	13181 Sq. ft. @ ₹ 225 / Sq. ft.	29.65
4.	UTILITIES				
a.	Cooling Tower Pond	RCC Frame			2.00
b.	Thermic Fluid Heater	RCC Frame; Asbestos Cement Sheet Roofing	15×10 = 150 Sq. Mt.	1614 Sq. ft. @ ₹ 225 / Sq. ft.	3.63
c.	Bioler House	RCC Frame; Asbestos Cement Sheet Roofing	30×16 = 480 Sq. Mt.	5164.8 Sq. ft. @ ₹ 225 / Sq. ft.	11.62
d.	Effluent Treatment Plant	RCC Frame; Asbestos Cement Sheet Roofing	16.5×12.5 = 206 Sq.	2219.25 Sq. ft. @ ₹ 225 / Sq. ft.	4.99
e.	Diesel Generator Set Room	RCC Frame; Asbestos Cement Sheet Roofing	16×8 = 128 Sq. Mt.	1377.28 Sq. ft. @ ₹ 225 / Sq. ft.	3.10
f.	Weigh Bridge Cabin & Trench	RCC Structure	16×10 = 160 Sq. Mt.	1721.6 Sq. ft. @ ₹ 200 / Sq. ft.	3.44
g.	Electricity Panel Room	RCC Structure	16×12 = 192 Sq. Mt.	2065.92 Sq. ft. @ ₹ 225 / Sq. ft.	4.65
h.	Work Shop	RCC Structure	25×20 = 500 Sq. Mt.	5380 Sq. ft. @ ₹ 225 / Sq. ft.	12.10
5.	ACID OIL				
a.	Acid Oil Plant	RCC Frame; Asbestos Cement Sheet Roofing	15×10 = 150 Sq. Mt.	1614 Sq. ft. @ ₹ 225 / Sq. ft.	3.63
6.	SUPPORT SERVICES				
a.	Canteen	RCC Structure	20×15 = 300 Sq. Mt.	3228 Sq. ft. @ ₹ 200 / Sq. ft.	6.45
b.	Administration Block	RCC Structure	35×25 = 875 Sq. Mt.	9415 Sq. ft. @ ₹ 350 / Sq. ft.	32.95
c.	Time & Security Room	RCC Structure	8×4 = 32 Sq. Mt.	344.32 Sq. ft. @ ₹ 300 / Sq. ft.	1.03
d.	Parking Area	Asbestos Cement Sheet Roofing	25×20 = 500 Sq. Mt.	5380 Sq. ft. @ ₹ 100 / Sq. ft.	5.38
e.	Truck Unloading		44×40 = 1760 Sq. Mt.	18937.6 Sq. ft. @ ₹ 95 / Sq. ft.	17.99
f.	Laboratory	RCC Structure	15×10 = 150 Sq. Mt.	1614 Sq. ft. @ ₹ 350 / Sq. ft.	5.65
g.	Oil Tank Platform	RCC Structure	N. A.		2.50
h.	Overhead Water Tank (50000 Litre Capacity)	RCC Structure	N. A.		3.00
Total					450.00

4. Plant & Machinery

The main machinery for Solvent Extraction Plant and Refinery Unit is proposed to be purchased from Servotech India Limited who has given us their quotation, *vide* letter no. SIL/756/10-11 dated January 15, 2011. The validity for the quotation is upto August 20, 2011.

The total Plant & Machinery, including Erection and Commissioning expenses, is estimated at ₹ 2,040.00 lakhs.

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Solvent Extraction Plant Consisting of - <ul style="list-style-type: none"> • Preparatory Module • De-hulling Section • Solvent Extraction Module • Add-on Equipments for Untoasted Soya DoC Section • Meal Finishing Module • Soya DOC Grading & Grinding • Attachments to make Soya Grits and Flour 	730.00
2.	Soya Nuggets Plant	135.00
3.	Continuous Vegetable Oil Refinery Plant	275.00
4.	Soya Lecithin Concentration Plant	50.00
5.	Acid Oil Plant	30.00
6.	Water Cooling (Finless Fan-less type) and Pumping installation	50.00
7.	Hexane Storage Tanks Capacity – 20 KL × 3 Nos.	20.00
8.	Bulk Oil Storage Tanks – Capacity 100 MT	65.00
9.	Silo for Storage of 10,000 MT Seeds	223.00
10.	Electrical Transformer – 500 KVA, L. T. Panel Board, HT & LT Cables	25.00
11.	Boiler 12 TPH at 15 Kg/cm ² with Chimney & Steam Distribution System	180.00
12.	Auxiliaries within Battery Limits	150.00
13.	Auxiliaries outside Battery Limits	47.00
	Sub – Total	1,980.00
13.	Erection & Commissioning	60.00
	Sub – Total	60.00
	Total	2,040.00

5. Miscellaneous Fixed Assets*

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Computers	5.00
2.	Workshop	20.00
3.	Vehicles (Two Light Commercial Vehicles and One Mini Bus for Staff Transfer)	35.00
	Total	60.00

* The above estimates for the Miscellaneous Fixed Assets are based on Management Estimates and no Quotations have been obtained for the same.

6. Preliminary and Pre-Operative Expenses

Our Company requires funds for certain pre-operative expenses such as project report preparation, start up expenses, insurance, legal expenses, etc. The total requirement is estimated at ₹ 59.00 Lakhs.

7. Contingencies

To cover unforeseen escalation in estimated cost of Land and Building & Civil Works, contingencies have been estimated at ₹ 49.00 Lakhs, which is around 7.5% of the estimated costs.

II. To meet Working Capital Requirement for the Proposed Expansion Project (Marble & Soybean Oil Extraction)

The Working Capital requirement for the proposed expansion in both our businesses, is estimated at ₹ 2,096 Lakhs. The estimated Working Capital for the proposed Soybean Oil Extraction business is ₹ 1,630 Lakhs, while the remaining ₹ 466 Lakhs will be required for the Import of Marbles.

A. Working Capital for Soybean Business

The Working Capital Requirement for the Soybean business is estimated at ₹ 1,630 Lakhs on the basis of Inventory, Debtors – Domestic & Export, Other current assets and Creditors for Goods. The working capital requirement is expected to be utilised over the financial year 2011-12 & 2012-13

Working Capital	Period	Base of Estimation
Raw Material	15 Days	Cost of Raw Materials
Stock in Process	2 Days	Cost of Raw Material & Direct Exp.
Finished Goods	6 Days	Cost of Raw Material & Direct Exp.
Domestic Debtors	10 Days	Gross Sales
Export Debtors	2 Days	Gross Sales
Creditors for Raw Materials etc.	12 Days	Net Cost of Sales

Our proposed Working Capital requirement is as follows:

Particulars	Amount (₹ in Lakhs)
Inventories	
Raw Materials	855.00
Finished Goods	367.00
Stock – in – Process	147.00
Debtors	
Domestic	682.00
Exports	114.00
Other Current Assets	150.00
Sub – Total	
Less: Creditors	685.00
Total Working Capital	1630.00
Less: Bank Credit	0.00
Net Working Capital	1630.00

B. Working Capital for Import of Marbles

Our Company proposes to import marble and sell the same from our company's existing Sales offices. Thus, we will not require any capital investments. However, we have estimated a Working Capital requirement of ₹ 466 Lakhs for this business in terms of Inventory, Debtors, Bank Deposits (LC Margin) and Creditors for Goods. The working capital requirement is expected to be utilised in F. Y. 2011-12.

(₹ in Lakhs)

Particulars	Holding Period (Days)	Amount (₹ in Lakhs)
CURRENT ASSETS		
Inventories		
Finished Goods	60	670
Debtors		
Domestic	30	330
Other Current Assets		
Deposits (LC Margin Payable)	60	178
Sub -Total (A)		1178
CURRENT LIABILITIES		
Creditors for Goods	60	(712)
Sub -Total (B)		(712)
Working Capital Gap (A-B)		466
Less: Bank Credit		-
Amount to be financed through Issue Proceeds		466

All above Working Capital estimates are based on management estimates and have not been appraised by any Bank or Financial Institution.

III. To meet General Corporate Expenses

Our Company intends to deploy amount aggregating to ₹ 350 Lakhs towards general corporate purposes including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, partnerships, joint ventures, strategic initiatives and brand building exercises and the strengthening of our marketing capabilities, meeting exigencies, which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

IV. Issue Expenses*

(₹ in Lakhs)

Activity	Expenses	% of Issue Expenses	% of Issue Size
Issue Management Fees (Lead Management Fees, Underwriting & Selling Commission, etc.)	[●]	[●]	[●]
Advertisement & Marketing Expenses	[●]	[●]	[●]
Printing, Stationery & Distribution Expenses	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Others (including Legal Advisors Fee, Auditors Fee, Registrars Fee, SCSB commission, Regulatory Fees including filing fees paid to SEBI and Stock Exchanges)	[●]	[●]	[●]
Total estimated Issue Expenses	375	100	6.60

* will be completed after finalization of Issue Price

Surplus from the proceeds of the Issue after meeting the objects mentioned above, if any, will be used for our general corporate purposes.

Appraisal

The fund requirement and funding plans are our own estimates and have not been appraised by any bank / financial institution or appraising agency.

Schedule of Implementation

The various activities to be carried out are planned and overlapped so that the time required for implementation of the project is reduced. We expect the production in new unit to commence by April 2012.

Sr. No.	Activities	Expected Commencement	Expected Completion
1.	Land	August 2011	
2.	Infrastructure / Site Development	August 2011	September 2011
	Civil Work		
3.	a) Factory Bldg.	September 2011	February 2012
	b) Machine Foundation	November 2011	February 2012
	c) Auxiliary, Admin.	November 2011	January 2012
	Plant & Machinery		
4.	a) Placement of Order	September 2011	November 2011
	b) Delivery	February 2012	March 2012
5.	Arrangement of Power & Water	February 2012	March 2012
6.	Erection of Equipment	February 2012	March 2012
7.	Trial Run & Pre-operative Expenses	March 2012	March 2012
8.	Commissioning	N/A	April 2012

Deployment of Funds & Sources

We have incurred an amount of ₹ 15 Lakhs till February 28, 2011 relating to the Objects of the Issue which has been certified by our Statutory Auditors, M/s. U. K. Kamath & Associates *vide* their certificate dated March 03, 2011.

The above mentioned expenses have been incurred towards Issue expenses and they have been financed through internal accruals of our Company. Since the objects of the issue stated are to be funded from the IPO proceeds, the amount spent till date on the object, certified by the auditors, shall be recouped from the IPO proceeds.

Year-wise Schedule of Deployment of Fund

(₹ in Lakhs)					
Sr. No.	Activities	Funds Deployed	FY ended March 2012	FY ended March 2013	Total
1.	Land	-	200.00	-	200.00
2.	Infrastructure / Site Development	-	7.00	-	7.00
3.	Civil Work	-	450.00	-	450.00
4.	Plant & Machinery (including Misc. Assets)	-	2,040.00	-	2,040.00
5.	Erection of Equipment (including Arrangement of Power & Water)	-	60.00	-	60.00
6.	Trial Run & Pre-operative Expenses	-	59.00	-	59.00
7.	Working Capital for Expansion of Businesses	-	1,281.00	815.00	2,096.00
8.	Meeting General Corporate Purposes	-	350.00	-	350.00
9.	Issue Expenses	14.89	360.11	-	375.00
	Total	14.89	4,807.11	815.00	5,637.00

Interim Use of Funds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds to be received from the Issue. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds in high quality interest or dividend bearing liquid instruments including deposits with banks for the necessary duration. Such investments would be in accordance with any investment criteria approved by the Board of Directors from time to time. Our Company confirms that pending utilization of the Issue proceeds; it shall not use the funds for any investments in the Equity Markets.

Monitoring of Utilization of Funds

Our Company has not appointed any Monitoring Agency. However, the 'Audit Committee' constituted via Resolution passed in the Board of Directors Meeting dated January 7, 2011, has been authorised with the responsibility of monitoring the utilization of the proceeds of the Issue. Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of the Company. Further, we will disclose the utilization of net proceeds of the Issue under a separate head in our audited financial statements, clearly specifying the purpose for which such proceeds have been utilized and also indicating investments, if any, of such unutilized proceeds of the Issue.

No part of the proceeds from the Proposed Issue will be paid by us as consideration to our Promoter, our Directors, Promoter Group Entities or Key Management Personnel, except in the normal course of our business.

BASIC TERMS OF THE ISSUE

Terms of the Issue

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

Terms of Payment

Applications should be for a minimum of [●] equity shares and [●] equity shares thereafter. The entire price of the equity shares of ₹ [●] per share (₹ 10/- face value + ₹ [●] premium) is payable on application.

In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Authority for the Issue:

The Issue of Equity Shares by our Company has been proposed by the resolution of the Board of Directors passed at their meeting held on October 25, 2010. The shareholders of our Company authorized and approved this Issue under section 81(1A) of the Act by a Special Resolution in the Extra-ordinary General Meeting of our Company held on November 19, 2010.

Ranking of Equity Shares

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

Face Value and Issue Price per Share

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

Price Band: ₹ [●] to ₹ [●] per Equity shares of Face Value of ₹ 10/- each. The Floor Price is [●] times of the Face Value and the Cap Price is [●] times the Face Value.

Market Lot and Trading Lot

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

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

Minimum Subscription

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

BASIS FOR ISSUE PRICE

Investors should review the entire Draft Red Herring Prospectus, including the sections “Risk Factors”, “Our Business” and “Financial Statements” beginning on page nos. xiii, 62 and 105, respectively, of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the price are:

- 100% Export Oriented Granite Unit in Ongole, Andhra Pradesh which caters to the exports demand, thus provided with Tax benefits U/s. 10B;
- Diversified client base ranging from Domestic Construction Houses to Foreign Companies engaged in Infrastructure Development.
- Quality Management System has received an ISO certification, ISO 9001:2008 from KVQA Certification Services Pvt. Ltd. certifying our management systems for quality, environment, occupational health and safety management.
- Received a NSIC-D&B-SMERA Performance & Credit Rating of “SE 2A”
- Vast experience in Granites & Stones Industry;
- Strategic Location of the Unit. Raw material accessibility and well connected to Highways

For detailed discussion on the qualitative factors which form the basis for computing the price, please see, “Our Business” and “Risk Factors” beginning on page nos. 62 and xiii, respectively, of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented in this section is derived from our audited restated financial statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Earnings Per Share (EPS)

Financial Period	Earning Per Share (₹)	Weight
Year ended March 31, 2008	7.24	1
Year ended March 31, 2009	6.99	2
Year ended March 31, 2010	8.02	3
Weighted Average	7.29	
Six month ended September 30, 2010	2.51	

** Not Annualised*

Note:

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

2. Price/Earning (P/E) ratio in relation to Issue Price of ₹ [●] per share of ₹ 10 each.

Particulars	Issue Price of ₹ [●] per share
Based on EPS for March 31, 2010 of ₹ 8.02	₹ [●]
Based on weighted average EPS of ₹ 7.29	₹ [●]
Industry P/E	
Highest	16.5
Lowest	15.1
Industry Composite	
i. Solvent Extraction	15.1
ii. Miscellaneous	16.5

Source: Capital Market Volume XXVI/01, March 07-20, 2011

3. Return on Average Net Worth (RoNW):

On a standalone basis:

Financial Period	RoNW %	Weight
Year ended March 31, 2008	47.43	1
Year ended March 31, 2009	38.69	2
Year ended March 31, 2010	23.02	3
Weighted Average		32.31
Six Months ended September 30, 2010*		11.90%

* Not Annualized

Note: RoNW is the adjusted profit after tax, as restated, divided by net worth as restated at the end of year/period.

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS

The minimum return on increased net worth required to maintain pre-Issue EPS of ₹ [●] is [●]% at the lower end of the price band and [●]% at the higher end of the price band.

Note:

Net worth is the sum total of the share capital, the reserves and the surplus

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

As on March 31, 2010	₹ 18.46
Pre – Issue (as on September 30, 2010)	₹ 20.98
Issue Price	[●]
Post Issue	[●]

Note:

(i) Issue Price and the NAV after the Issue will be determined on conclusion of Book Building Process.

(ii) NAV is the net worth as restated divided by Equity Shares at the end of the specified period, if any.

6. Comparison of Accounting Ratios with Industry Peers

We have chosen the companies which we believe are our peers. The comparison of Accounting Ratios with Industry Peers is as follows:

Name of the company	FV (₹)	EPS (₹)	P/E Ratio	RoNW (%)	NAV/Share (₹)	Sales (₹ Lakhs)
Solvent Extraction						
Rasoya Proteins Limited	10	3.8	19.8	12.2%	40.30	37010.00
AVT Natural Products Ltd.	10	8.30	9.3	13.7%	64.90	8090.00
<i>(Source: Capital Market Volume XXVI/01, March 07-20, 2011; Segment: Solvent Extraction)</i>						
Miscellaneous						
Aro Granite	10	9.4	4.2	11.3%	88.50	13110.00
<i>(Source: Capital Market Volume XXVI/01, March 07-20, 2011; Segment: Miscellaneous)</i>						
JAISHREE INDUSTRIES LTD.*	10	8.02	[●]	23.02%	18.46	4115.36

* All comparisons are as per the Standalone Financials of the Issuer for the year ended March 31, 2011

7. The face value of our equity shares is ₹ 10/- and the Issue Price is ₹ [●]

The BRLM believes that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative factors. For further details, please see the section “Risk Factors” beginning on page no. xiii of this Draft Red Herring Prospectus and the section “Financial Statements” including important profitability and return ratios, as set out in the Auditor’s Report stated on page no. 105 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To
Board of Directors,
Jaishree Industries Limited
D-12, Rajouri Garden (Ring Road),
New Delhi 110027

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Jaishree Industries Limited (the 'Company') and its shareholders under the provisions of the Income tax Act, 1961 and other direct tax laws presently in force. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

For and on behalf of
U. K. KAMATH & ASSOCIATES
Chartered Accountants

Udaya Kumar Kamath
Proprietor
Membership No. 087413
Firm Membership No. 008584N

New Delhi
January 25, 2011

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

I. SPECIAL TAX BENEFITS

1. Special benefits available to the Company under the Income-tax Act, 1961 (the Act)

Section 10B of the Income Tax Act, 1961 (hereinafter referred as the “the Act”) provides deduction in respect of profits and gains derived by 100 percent export oriented undertaking. Deduction under section 10B is available, subject to prescribed conditions, in respect of 100% profit derived from export of articles or things for a period of 10 consecutive years beginning with the year in which the 100 percent export oriented undertaking begins to manufacture or produce such articles or things. However, as per tax laws currently in force, no deduction under this section shall be allowed to any undertaking for the assessment year 2012-2013 and thereafter.

2. Special benefits available to the shareholders of the Company under the Act.

There are no special benefits available to the shareholders of the Company.

II. GENERAL TAX BENEFITS

1. General benefits available to the Company under the Act:

(A) Business Income

(a) Depreciation:

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under section 32 of the Act.

In case of new machinery or plant (other than ships and aircrafts), that is acquired and installed by the Company, it is entitled to additional depreciation equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any source in subsequent assessment years in accordance with section 32 of the Act.

(b) Preliminary Expenses:

The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of share under Section 35D (2) (c) of the Income Tax Act, 1961, subject to limits specified in sub section (3).

(c) Deduction for interest on borrowed capital:

In accordance with the provisions of section 36(1)(iii) of the Act and subject to the conditions mentioned therein, the Company is eligible for a deduction for interest paid by it in respect of capital borrowed for the purposes of the business and profession.

(d) Set off of business losses:

In accordance with and subject to conditions mentioned in section 71 of the Act, the Company is eligible to set off business loss against income under any other head except capital gains.

(e) Carry forward of unabsorbed business losses:

The Company is entitled to carry forward unutilized business loss (except speculation loss) for set off against business income of subsequent assessment years, under the provisions of section 72 of the Act for a period of eight succeeding assessment years.

(f) MAT credit

As per section 115JAA(1A) of the Act, the Company is eligible to claim credit for MAT paid for any assessment year commencing on or after April 1, 2006 against income-tax payable under the normal provisions of the Act in subsequent assessment years. MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under section 115JB for that assessment year. Such MAT credit is available for set-off upto 10 years immediately succeeding the assessment year in which the MAT credit becomes allowable.

(B) CAPITAL GAINS:

(a) Long Term Capital Gain (LTCG)

Capital Gains arising from the transfer of a capital asset being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond held by an assessee for more than 12 months will be long term in nature.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

(b) Short Term Capital Gain (STCG)

STCG means capital gain arising from the transfer of capital asset being Share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bonds, held by an assessee for 12 months or less.

In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

(c) Tax Treatment

- (i.) LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under section 10(23D) of the Act are exempt from tax under section 10(38) of the Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified therein.
- (ii.) Income by way of LTCG exempt under section 10(38) of the Act is to be taken into account in computing the book profit and income tax payable under section 115JB of the Act.
- (iii.) As per section 48 of the Act and subject to the conditions specified in that section, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- (iv.) As per section 112 of the Act, LTCG is taxed @ 20% (plus applicable surcharge and cess).
- (v.) However, if such tax payable on transfer of listed securities or units or Zero coupon bonds exceed 10% of the LTCG, without indexation benefit, the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
- (vi.) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined, which has been set up under a scheme of a mutual fund specified under section 10(23D)), are subject to tax at the rate of 15% (plus applicable surcharge and cess) provided the transaction is chargeable to STT. No deduction under chapter VI-A of the Act shall be allowed from such income.
- (vii.) STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined, which has been set up under a scheme of a mutual fund specified under section 10(23D) of the Act), where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).

- (viii.) As per section 71 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 years.
- (ix.) As per section 71 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent 8 years.
- (x.) As per section 54EC of the Act, capital gains arising from the transfer of a long term capital asset shall be exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by the following and subject to the conditions special therein:
 - National Highway Authority of India constituted under section 3 of National Highway Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1856

If only part of the capital gains is reinvested, the exemption shall be available on a proportionate basis.

(C) OTHER INCOME:

(a) Dividend Income:

Dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

(b) Income from Mutual Funds:

Income received in respect of units of a mutual fund specified under section 10(23D) of the Act (other than income arising from transfer of such units) shall be exempt from tax under section 10(35) of the Act.

2. General benefits available to the Members of the Company under the Act.

(A) Resident Members

(a) Dividend income:

Dividend, (both interim and final), if any, received by the resident shareholders from a Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

(b) Capital gains:

- (i.) Benefits outlined in Paragraph 1(B) of section 2 above are also applicable to resident shareholders.
- (ii.) In addition, a resident shareholder, being an individual or a Hindu Undivided Family (HUF) will be entitled to exemption under section 54F of the Act. Under this section, LTCG arising from transfer of shares shall be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(B) Non-Resident Indians/ Members Other than FIIs and Foreign Venture Capital Investors

(a) Dividend Income:

Dividend (both interim and final), if any, received by the non-resident shareholders from a

Domestic Company shall be exempt from tax under section 10(34) read with section 115-O of the Act.

(b) Capital gains:

Benefits outlined in paragraph 2(A) above are also available to a non-resident shareholder except that as per first proviso to section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

(c) Benefits under Double Taxation Avoidance Agreements (DTAA):

As per section 90 of the Act, the non-resident shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable DTAA entered into by the Government of India with the country of residence of the non-resident investor.

(d) Special provisions in case of non-resident Indians in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act.

- (i.) Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grand parents, were born in undivided India.
- (ii.) Specified foreign exchange assets include shares of an Indian company which is acquired/ purchased/ subscribed by NRI in convertible foreign exchange.
- (iii.) As per section 115E of the Act, and subject to conditions mentioned therein, income (other than dividend which is exempt under section 10(34)) from investments and LTCG (other than gain exempt under section 10(38)) from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable surcharge and cess).
- (iv.) As per section 115E of the Act, LTCG arising from transfer of specified foreign exchange assets shall be taxable @ 10% (plus applicable surcharge and cess).
- (v.) As per section 115F of the Act, LTCG arising on transfer of a foreign exchange asset shall be exempt in case net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- (vi.) As per section 115G of the Act, in case total income of a NRI consists only of income/ LTCG from such foreign exchange asset/ specified asset and tax thereon has been deducted at source in accordance with the Act, then, it shall not be necessary for a NRI to file return of income under section 139(1) of the Act.
- (vii.) As per section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he may furnish a declaration in writing to the assessing officer, along with his return of income under section 139 of the Act for the assessment year in which he is first assessable as a resident, to the effect that the provisions of the chapter XII-A of the Act shall continue to apply to him in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- (viii.) As per the provisions of section 115-I of the Act, the NRI may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A of the Act shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

(C) Foreign Institutional Investors (FIIs)

(a) Dividend Income:

Dividend (both interim *and* final), if any, received by the FII shareholder from the domestic company shall be exempt from tax under section 10(34) read with section 115O of the Act.

(b) Capital Gains:

- (i.) As per section 115AD of the Act, income (other than income by way of dividends referred to section 115O) received in respect of securities (other than units referred to in section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge and cess). No deduction in respect of any expenditure/ allowance shall be allowed from such income.
- (ii.) As per section 115AD of the Act, capital gains arising from transfer of securities shall be taxable as follows:
 - As per section 111A of the Act, STCG arising on transfer of securities where such transaction is chargeable to STT shall be taxable at the rate of 15% (plus applicable surcharge and cess), STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).
 - LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under section 10(38) of the Act,
 - LTCG arising on transfer of securities where such transaction is not chargeable to STT shall be taxable at the rate of 10% (plus applicable surcharge and cess). The indexation benefit shall not be available while computing the capital gains.
- (iii.) Benefit of exemption under section 54EC of the Act shall be available as outlined in Paragraph I (B)(c)(x.) above.

(c) Benefit under DTAA:

As per section 90 of the Act, a FII shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable DTAA entered into by the Government of India with the country of residence of the FII shareholder.

(D) Mutual Funds

As per the provisions of section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

3. Benefits available to the shareholders of the Company under the Wealth Tax Act, 1957

Shares in a company, held by a shareholder are not treated as an asset within the meaning of section 2(ea) of the Wealth Tax Act, 1957; hence, wealth tax is not applicable on shares held in a company.

Notes:

- a) All the above benefits are as per the current tax law and will be available only to the sole/ first names holder in case the shares are held by joint holders.
- b) In respect of non-resident investors, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the relevant DTAA, if any, between India and the country of residence of the non-resident investor.

SECTION V: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

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

GRANITE INDUSTRY

Granite technically refers to a light-coloured granulose plutonic rock composed of feldspars, plagioclase, quartz (felsic minerals) and minor amounts of mafic minerals, such as biotite, hornblende, pyroxene, iron oxides, etc. But, in the commercial parlance, the term 'Granite' has become synonymous with all those crystalline rocks which have pleasing colours, strength to bear the processes of quarrying and cutting & polishing and are used commonly for decorative purposes. Being more resistant to wear and tear as well as weathering, granite is most sought-after stone to be used in building as well as decorative stone. The absorption for granite is due to its mirror-like polish, high compressive strength, longevity and beauty.

(Source: Indian Bureau of Mines)

Indian Granite Industry

India, one of the leading countries in mining and export of granite, is rich in granite reserves. Geologically, the southern and eastern belts of the Nation are abundant in granite deposits. Different shades of granites are available in abundance in Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Assam, Bihar, Rajasthan, Orissa, Meghalaya and Madhya Pradesh. The dimension stone industry employs over one million workforces. This industry plays a vital role in the economy of states like Tamil Nadu, Andhra Pradesh, Karnataka and Rajasthan. Rural economy of many developing states like Madhya Pradesh, Uttar Pradesh, Orissa and North-Eastern States is dependent on this industry.

(Source: Indian Bureau of Mines)

Indian granite has become the most sought-after and extensively used stone material in building construction and massive structural works throughout the world, and it is well known in the International market, not only for its elegance and aesthetic quality, but also for its durability.

The stone industry, particularly the granite field, has received a wider publicity and corporate importance, only in the last few years. It is emerging now a thrust-export-area with several corporate houses, supported by expert professionals trained in all aspects, entering the sector with sophisticated world-class machinery and making it an organized one.

(Source: worldstonex.com)

Granite Production & Exports

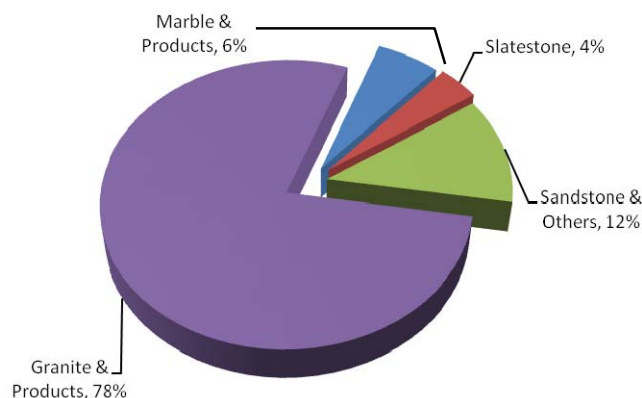
India is one of the largest producers of stones in the world. The Indian stone industry has been growing steadily at an annual rate of around 10% per year for the past few years.

Granite & Products Exports from India (Million Rupees)

	2005-06	2006-07	2007-08	2008-09	2009-10
Granite and Products	34904.91	47248.42	42874.85	48149.00	50508.00

(Source: CAPEXIL)

Product Mix of Indian Stone Exports as per Value



(Source: Stonedge India - CDOS)

In India there are 43 granite processing units, out of which 12 are in Andhra Pradesh, 13 in Karnataka, 3 in Rajasthan, 14 in Tamil Nadu and 1 in Orissa. Although our country offers nearly 160 varieties of granite as against about 400 varieties presently available in the world, it is not in a position to have a sustained market due to several constraints. The major import markets, including the USA, Italy, Germany and Japan faced an economic recession in 2008-2009 affecting India's export opportunity. The recovery of marketable grade granite is reported to be 32 to 40 per cent in Karnataka, 25 to 75 per cent in four quarries around Jalore, the main granite mining centre of Rajasthan, and 20 to 40 per cent in Tamil Nadu.

(Source: Granite Sandstone Suppliers)

Granite Processing

Granite processing basically involves sawing or cutting of raw blocks into the tiles/slabs of required size & thickness and polishing of sawn-off surfaces. Other ancillary functions involve edge cutting, milling, boring and contouring for enhancing the quality and price of production. In India, the processing industry is in three sectors; namely, small-scale units, medium-scale units and 100% export-oriented units (EOU). The processing industry of granite in the country has been developed over the years. The share in exports of processed material has increased.

Details regarding production of processed granite are not available. However, it is presumed that the processed material exported can be taken as production level in the country with addition of 5% to 15% for internal use.

(Source: Indian Bureau of Mines)

Granite Deposits

India is endowed with one of the best granite deposits in the world having excellent varieties comprising over 200 shades. India accounts for over 20% of the world resources in granite. Granite reserves in India have now been estimated by Indian Bureau of Mines at over 42,916 million cubic meters. The deposits are widely spread over the entire country. However, popular varieties are mainly found in South India.

(Source: Centre for Development of Stones – CDOS)

Granite Deposits in India

State	Estimated Deposits (million cu. m.)	State	Estimated Deposits (million cu. m.)
Karnataka	9740	Jharkhand	8847
Rajasthan	8749	Andhra Pradesh	2788
Orissa	2135	Maharashtra	878
Tamil Nadu	713	Assam	584
Uttar Pradesh	495	Gujarat	420
Meghalaya	286	Chhattisgarh	50
Haryana	34	West Bengal	33

Kerala	4		
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(Source: Centre for Development of Stones – CDOS)

Karnataka

Area Covered 5,600 sq km
Granite Varieties Ruby Red, Fish Belly, Himalayan Blue, Chilly Red, Sira Grey, Ramnagar Porphyry, Savan Rose, Tumkur Pink / Porphyry, English Teak, Red Multi, Hasan Green, Tiger Black Granite, Magadi Pink
Resource (M cu m) Black Granite 4.72 Multicoloured Granite 1,342.00

Andhra Pradesh

Area Covered 38,300 sq km
Granite Varieties Black Galaxy, Srikakulam Blue, Kashmir White, Steel Grey, Daisy Blue, American / Cobra / Emerald Green, English Teak, Kuppam Green, Madanapalle White, Pink Multi, Anantapur Grey, Paradiso, Spotted Red, Ivory Shine, Tan Brown, Pista Green, Black Granite, Silver Galaxy
Resource (M cu m) Black Granite 13.61 Multicoloured Granite 181.31

Maharashtra

Area Covered 3,685 sq km
Granite Varieties Grey Silk, Light Pink, Jhansi Red
Resource (M cu m) Multicoloured Granite 10.11

Madhya Pradesh

Area Covered 6,720 sq km
Granite Varieties Black Granite, Multicoloured Granite
Resource (M cu m) Black Granite 0.71 Multicoloured Granite 110.32

Gujarat

Area Covered 812 sq km
Granite Varieties Sonawadi Grey, Balaram Pink, Ajapur Galaxy, Chhapara Grey, Godh Grey, Dhori Pink, Kaleda Pink, Maharaja Tiger Black, Vaghor Grey
Resource (M cu m) Black Granite 0.49 Multicoloured Granite 56.60

Rajasthan

Area Covered 30,000 sq km
Granite Varieties Mokalsar Green, Nagina Green, Rosy Pink, Yellow Galaxy, Grey Granite, Blue Pearl, China Pink
Resource (M cu m) Black Granite 80.00 Multicoloured Granite 1,385.00

Orissa

Area Covered 1,250 sq km
Granite Varieties Berhampur Blue, Pink Granite, Silver Grey, Sea Weed Green, Chilka Blue, Grey Wave, Red Pearl, Jeypur Black, Keonjhar Black
Resource (M cu m) Black Granite 46.83 Multicoloured Granite 323.17

West Bengal

Area Covered 1,061 sq km
Granite Varieties Bero Pink Porphyry, Spotty Ribbon Gneiss, Streaky Gneiss, Purulia Black, Chocolate Brown, Birbhum Pink, Spotty Black
Resource (M cu m) Black Granite 0.75 Multicoloured Granite 1.85

Bihar

Area Covered 2,235 sq km
Granite Varieties Tiger Skin, Mayurakshi Blue, Sawan Rose, English Teak, Black Granite (Black Chitah, Black Zebra)
Resource (M cu m) Black Granite 322.56 Multicoloured Granite 325.91

Uttar Pradesh

Area Covered 3,100 sq km
Granite Varieties Ruby Red, Jhansi Red, Grey Granite, Black Granite

Resource (M cu m) Black Granite 1.95 Multicoloured Granite 154.10

Haryana

Area Covered 105 sq km

Granite Varieties Steel Grey Porphyry, Grey and Pink Granite, Deep Pink Granite, Purplish Granite Porphyry, Pink Porphyritic Granite

Resource (M cu m) Multicoloured Granite 0.55

Kerala

Area Covered 1,650 sq km

Granite Varieties Tropical Green Paradiso, Kerala White, Pink and Grey Granite

Resource (M cu m) Multi-coloured Granite 0.07

Tamil Nadu

Area Covered 4,400 sq km

Granite Varieties Kashmir White, Tiger Skin, Raw Silk, Paradiso, Bash Paradiso, Pink Multi, Red Mond, Hosur Grey, Rasipuram Blue, Colombo Juparana, Sea Green, Turaiyur Blue, Rosa Verde, Kunnam Black, Vanjinagaram Pink

Resource (M cu m) Black Granite 1.60 Multicoloured Granite 17.39

(Source: Geological Survey of India)

Application / Uses of Granites

Granite is the most sought-after building stone since long. Cut and polished granite slabs of 20 mm thickness are preferred for flooring, while tiles of 10 or 12 mm thickness are used for cladding. In addition to this, gravestones and monuments of various shapes and sizes are also in vogue. Because of the flexibility of the cutting tools, many artefacts of granite for decorative purposes are being made. Granite also finds its application in making garden furniture, such as benches, fountains and many other articles which are used for landscaping and/or decorative purposes. The cut-to-size small blocks are used as cobblestone, kerbstone, road sidings and many other innovative uses.

Crude granites are utilised for structural purpose after little dressing & sizing whereas processed granites are used mostly in the construction of buildings and monuments and for interiors and exterior facing. Because of its superior wear resistance and non-denting quality, granite is used for various meteorological and engineering instruments, such as surface plates, straight edges, parallels, cubes, V blocks and work-mounting tables of co-ordinate measuring machines.

(Source: Indian Bureau of Mines)

Commercial Applications of Granite is summarised in the following table:

Architectural Building Products	Granite Specialties	Memorials
<ul style="list-style-type: none"> • Building cladding • Building interiors • Building signage • Church features • Civic memorials • Custom-cut flooring • Granite pillars and columns • Landscape products • Paving materials 	<ul style="list-style-type: none"> • Countertop slabs • Granite cleaning products • Landscape products • Online Slab Inventory • Retaining walls • Sawn pavers • Split pavers • Tile • Treads • Tumblestone 	<ul style="list-style-type: none"> • Bronze memorials • Bronze scrolls • Crypt front and niche front plaques • Granite drilled bases • Veterans memorials
Mausoleums	Monuments	Private Estates Family Mausoleums
<ul style="list-style-type: none"> • Community mausoleums • Cremation products • Cemetery features • Columbariums • Mausoleum construction services 	<ul style="list-style-type: none"> • Benches • Cremation products • Diamond etching • Granite bases • Granite Statues • Memory photos 	<ul style="list-style-type: none"> • Pre-assembled mausoleums • Vestibule mausoleums • Custom constructed mausoleums • Signature series memorials

	<ul style="list-style-type: none"> • Pet memorials • Sand-blast designs • Technolase design • Upright monuments 	
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Major Threats to the Granite Processing

Availability of Blocks

The major problem highlighted by the processing industries is the non-availability of best quality blocks for the processing. As exporting of blocks is more advantageous due to high value realisation, the processing companies are finding it difficult to buy certain colour granite blocks as per their requirement. The first quality blocks, which are free from defects and larger in size, are always given preference for exports. Hence the local processing factories have to depend on smaller size blocks, which resulted in high processing wastage, higher production cost and thereby, high selling price. This is one of the reasons for the less competitiveness of finished products in the world market.

Modernization and Upgradation of Processing Technology

The consistent modernization of the factory and upgrading of the processing technology by installing new machines will improve the productivity and reduce production cost. Also, periodical maintenance of the machines is a must for the consistent quality and less downtime. The industry should try to use the new concept of multiple wire saw machines, which can be installed at open space near the quarry site for sawing of slabs. This will reduce the raw material cost considerably as defective slabs and unwanted bushes of the blocks are eliminated at the quarry site.

Infrastructure Development

The existing infrastructure to meet the needs of the stone sector in India is extremely poor and inadequate for the growing demand. The infrastructure facilities like road, rails, electricity services, water sources need to be improved. The absence of spacious infrastructure to reduce the travelling time as well as the safe travel is responsible for the slow growth of the stone industry. Also, the availability of electricity in areas nearby the quarries will encourage putting up processing industries in rural areas. Infrastructure is the backbone for any industry to operate economically and compete in the world market.

Financial Problems

The high rate of interest charged by the financial institutions should be reduced to make the Indian products more viable in the world market. The present interest rate of 9% to 15% for export industries can be brought to globally competitive rates. Incentives like liberal working capital norms, longer repayment schedules for loans etc. should be implemented immediately.

(Source: litosonline.com)

Prospects for the Granite Industry

The future of the Indian granite industry, post the economic crisis, for both blocks and finished products is encouraging. India can improve its export performance as the processing capacity is very low, with less than 5% of gangsaws installed in the world. The increase in export of blocks and finished products during the last few years is an indication of the encouraging signs of market improvement.

India, which is blessed with various types of unique colours and large deposits of granite, is certain to get its due share in the ever-growing world market. The granite resources in the country are very large which can last for hundreds of years to meet demand - both domestic and export. The Indian granites can match the best granites produced in the world in terms of quality. The Indian granite is well established in the world market and it brings considerable amount of foreign exchange to the country. However, the competition from China for rough blocks and finished products like slabs and monuments has contributed to the slow growth of exports from India.

The demand for stone products is expected to continue increasing for the simple reason there is still a low level of consumption in many countries. The share of the stone industry is just 5% out of the world's annual

consumption of 5 billion square meters and ceramics; wood, glass etc. occupy most of the market. Even a moderate increase of another 5% will increase hugely the demand for stone products.

(Source: Indian Bureau of Mines; litosonline.com)

AGRI COMMODITY INDUSTRY (FOOD GRAINS & PULSES)

Agriculture, as the largest private enterprise in India, is the lifeline of the economy. During 2008-09 the agricultural sector contributed to approximately 15.7 per cent of India's GDP (at 2004-05 prices) and 10.23 per cent (provisional) of total exports besides providing employment to around 58.2 per cent of the work force. Though the share of agriculture and allied sectors in total gross capital formation has also progressively declined for nearly two decades, this trend has since been arrested and the share of capital formation of the agriculture and allied sectors in GDP has increased from 14.1 per cent in 2004-05 to 21.3 per cent in 2008-09 (at 2004-05 prices).

India is the world's second largest producer of food next to China, and has the potential of being the biggest in the food and agricultural sector. The total food production in India is likely to double in the next ten years. Despite the scale of production, India accounts for less than 1.5 per cent of international food trade mainly due to lack of quality produce & due to subsistence.

Production of foodgrains during 2009-10 is estimated at 216.85 Million Tonnes (MT) as per 2nd Advance Estimates compared to 234.47 M.T. achieved during 2008-09. Production of rice is estimated at 87.56 M.T. which is 11.62 M.T. lower compared to 99.18 M.T. during the previous year. Production of wheat is estimated at 80.28 M.T.(2nd Advance Estimates) which is 0.4 MT less as compared to 80.68 M.T. in 2008-09. Production of coarse cereals during 2009- 10 is estimated at 34.27 M.T. (2nd Advance Estimates) compared to the previous year's production of 40.03 M.T. during 2008-09.

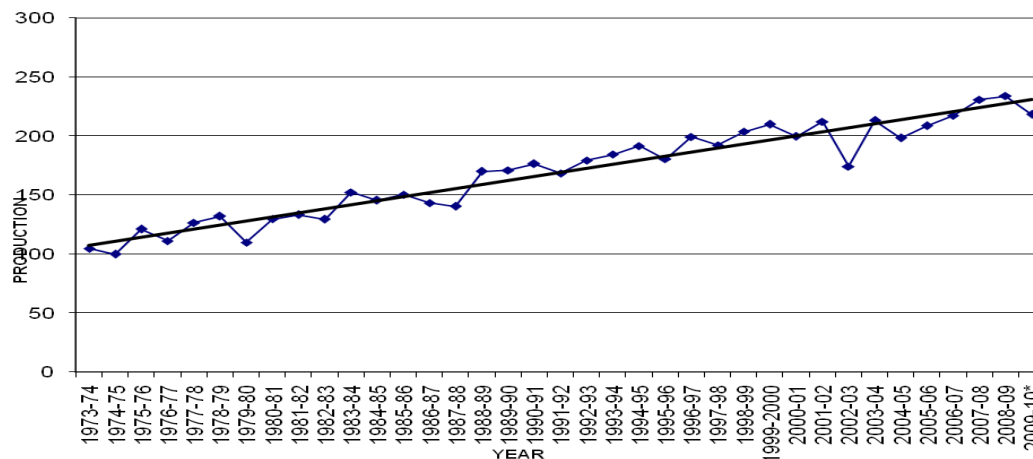
Foodgrains & Pulses production in the Xth Plan, though did not achieve the targeted production, the last 3 years shows a promising trend

Crop	X th Plan		2007-08		2008-09		2009-10*	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Rice	460.10	428.62	93.00	96.69	97.00	99.18	100.50	89.13
Wheat	386.56	351.71	75.50	78.57	78.50	80.68	79.00	80.71
Coarse Cereals	176.84	165.11	37.50	40.76	42.00	40.03	43.10	33.77
Pulses	76.60	66.76	15.50	14.76	15.50	14.57	16.50	14.59

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Foodgrains

Food Grain production in India has shown a great variance due to factors such as Rain, Availability of Seeds & Fertilizers, Regional growth etc. However, an overall trend of the past 35 years shows a slow & steady increase in the foodgrain production as seen in the graph below.



The details of season-wise area, production and yield of Foodgrains are given in table below:

Area – Million Hectares

Prod. – Million Tonnes

Yield – Kg. / Hectare

Season	Kharif			Rabi			Total		
Year	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	72.67	110.58	1522	51.04	106.71	2091	123.71	217.28	1756
2007-08	73.56	120.96	1644	50.51	109.82	2174	124.07	230.78	1860
2008-09	71.43	118.14	1654	51.40	116.33	2263	122.83	234.47	1909
2009-10*	69.33	103.84	1498	52.04	114.36	2197	121.37	218.20	1798

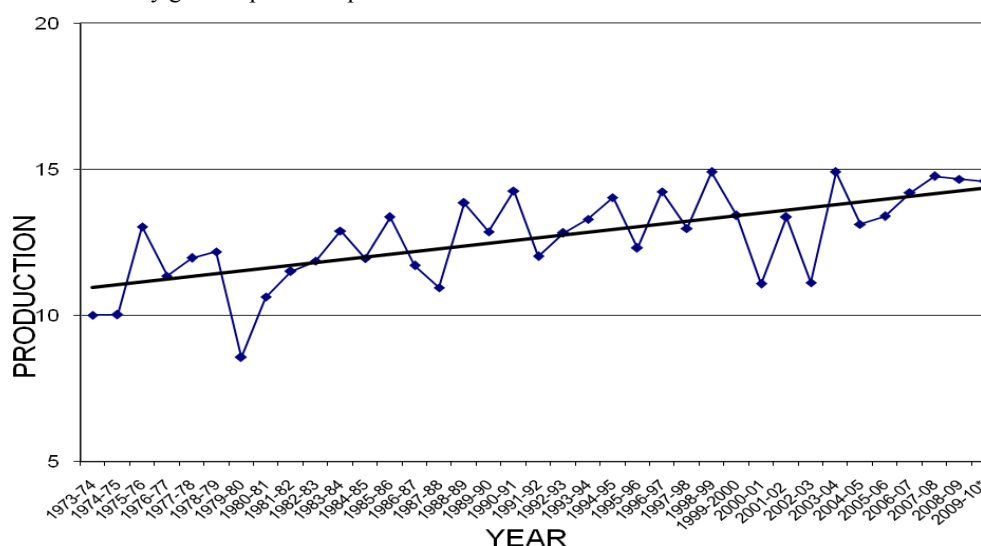
* Fourth Advance Estimates as released on 19.07.2010.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Pulses

Pulses are a basic ingredient in the diet of a vast majority of the Indian population, as they provide a perfect mix of high biological value when supplemented with cereals. Pulses are also an excellent feed and fodder for livestock. The major pulses grown in the country are chickpea, pigeon pea (tur), moong bean, urd bean, field pea, and lentils.

Pulses production in the country has seen huge ups & downs. The overall trend for the last 35 years has been a very gentle upward slope.



The details of season-wise area, production and yield of pulses are given in table below:

Area – Million Hectares

Prod. – Million Tonnes

Yield – Kg. / Hectare

Season	Kharif			Rabi			Total		
Year	Area	Prod.	Yield	Area	Prod.	Yield	Area	Prod.	Yield
2006-07	10.67	4.79	449	12.52	9.40	751	23.19	14.20	612
2007-08	11.48	6.40	557	12.14	8.35	709	23.63	14.76	688
2008-09	9.81	4.69	478	12.28	9.88	804	22.09	14.57	659
2009-10*	10.42	4.21	405	12.74	10.53	826	23.16	14.74	637

* Fourth Advance Estimates as released on 19.07.2010.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Government Initiatives in Food Industry

The Indian government has always encouraged the Agriculture & Food Sector, with Minimum Support Price and various other Schemes, Concessions etc. The recent initiatives undertaken by the government are:

- The Centre has announced a series of new initiatives which include a separate policy at the state level, thrust on contract farming and making the sector tax-free.
- The government plans to open 30 mega food parks by the end of the 11th Five Year Plan (2007-2012).
- In the Union Budget of 2010-11, the government has announced setting up of five more mega food park projects in addition to the ten already being set up. Moreover, external commercial borrowing will be made available for cold storage or cold room facility including for farm level pre cooling, for preservation or storage of agriculture and allied produce, marine products and meat.

Also as per information published by MOFPI (Ministry of Food Processing Industries)

- Income Tax rebate is allowed, 100 per cent of profits for 5 years and 25 per cent of profits for the next 5 years, for new industries to process, preserve and package fruits and vegetables.
- Excise duty on ready to eat packaged foods and instant food mixes has been brought down to 8 per cent from 16 per cent.
- Excise duty on aerated drinks has been reduced to 16 per cent from 24 per cent.

Future of Indian Food Industry

According to the FICCI – E & Y Study, the Indian food industry is poised to grow by approximately 42.5% from the current US\$ 181 billion to US\$ 258 billion by the year 2015 and by 76% to US\$ 318 billion by the year 2020.

The study suggests that the number of households between middle and very rich class is supposed to grow by 300% between 2005 and 2015 which will have a significant impact on the food consumption of value added products like milk and milk products and meat & marine products.

SOYBEAN INDUSTRY

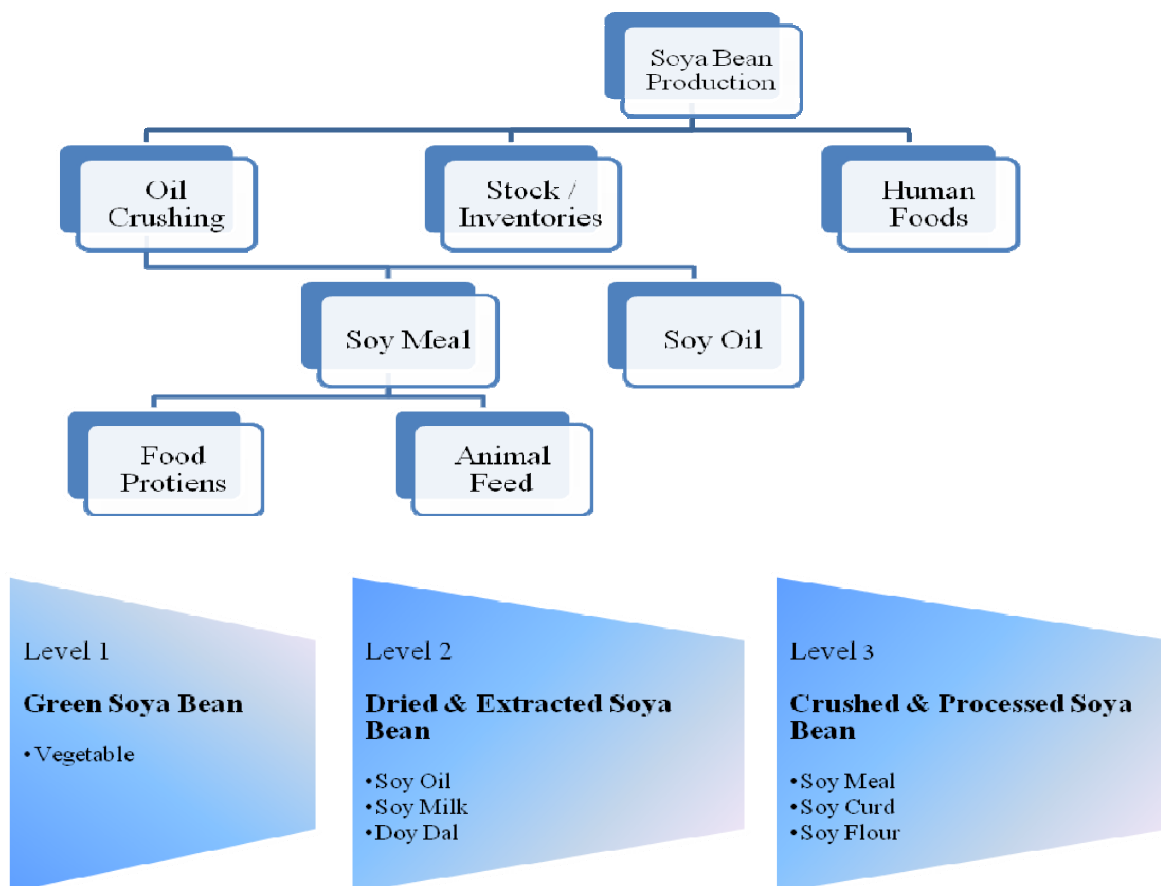
The soybean (*Genus Name - Glycine max*) is a species of legume native to East Asia. Also called as Golden Bean, the plant is classed as an oilseed and is an important global crop. The processed soybean is the largest source of protein feed and second largest source of vegetable oil in the world. The major portion of the global and domestic crop is solvent-extracted with hexane to yield soy oil and obtain Soy meal, which is widely used in the animal feed industry.

SoyBean Value Chain

Recent and ongoing studies reflect that only soy foods offer a proven record of prevention of heart disease, cancer, diabetes, osteoporosis, high blood cholesterol. Unlike anything else, soy improves your HDLs (the good ones) while reducing the bad ones (the LDLs), and helps you fight arthritis, kidney disease, and even menopausal complications.

(Source: SOPA)

Soya Seeds are the source of a complete chain of products as shown below:



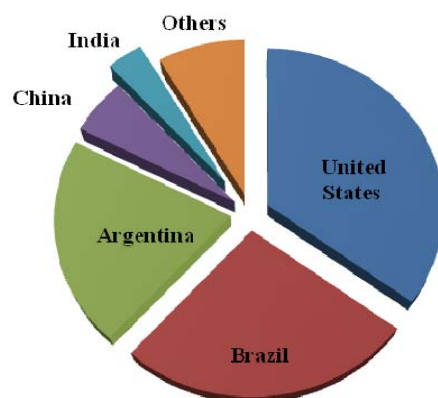
Global Outlook

Soybean is largest grown oilseed in the world with 60% share as compared to other major source of oilseeds like Rapeseed (13%), Cottonseed (10%), Peanut (8%), Sunflower (7%) seed and Palm kernels. Among these major oilseeds, Soybean has the highest percentage, 82%, of meal extracted. The global soybean production outlook for 2010-11 stands at approximately 255 million tonnes down by around 2% from previous year's 260 million tonnes, as per USDA report.

U.S., Brazil and Argentina collectively accounts for more than 80% of the global soybean production. India stands as the 5th largest producer of Soybean, trailing behind U.S., China, Brazil and Argentina.

(Source: USDA)

Major Soybean Producing Countries



(Source: USDA)

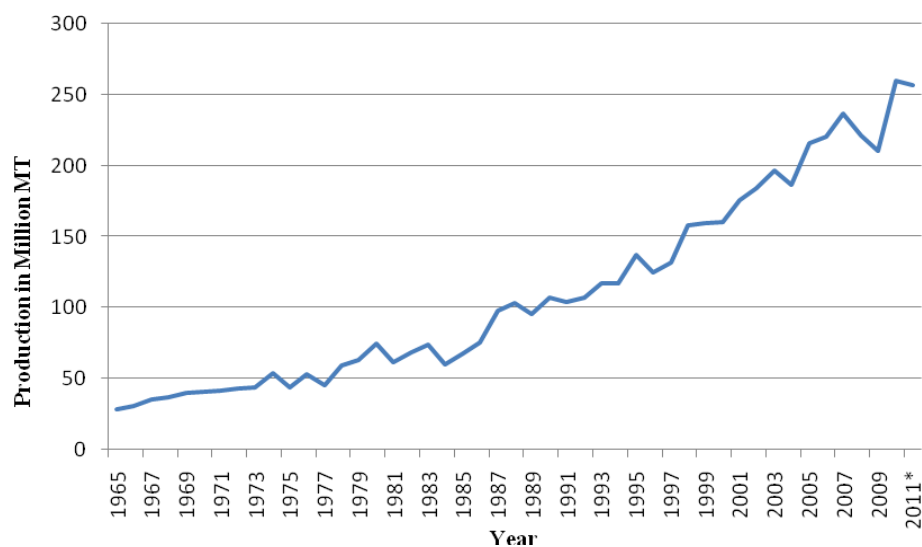
World Soybean Production by Major Countries

(in '000 MT)

Country	Year					
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
United States	83507	87001	72859	80749	91417	92756
Brazil	57000	59000	61000	57800	69000	67000
Argentina	40500	48800	46200	32000	54500	50000
China	16350	15967	14000	15540	14700	14400
India	7000	7690	9470	9100	9000	9200
Paraguay	3640	5856	6900	4000	7200	6500
Canada	3161	3466	2696	3336	3500	3950
Other	9512	9346	7881	9439	10790	11451
Total	220670	237126	221006	211964	260107	255257

The Soybean Industry has seen a uni-directional growth over the past 50 years, backed by ever increasing demand. The below graph is an indicator of the increasing production and importance of soybean in world food industry.

World Soybean Production, 1965-2011



(Source: USDA, www.fas.usda.gov/psdonline)

The demand for soy has never been greater and will continue to grow in the future. Soybean crops follow distinct Seasonality pattern across the globe. The sowing & harvesting seasons of the major Soybean producing countries are as below:

Country Month	USA	Brazil	Argentina	China	India
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

SOWING

HARVESTING

Indian Soybean Industry

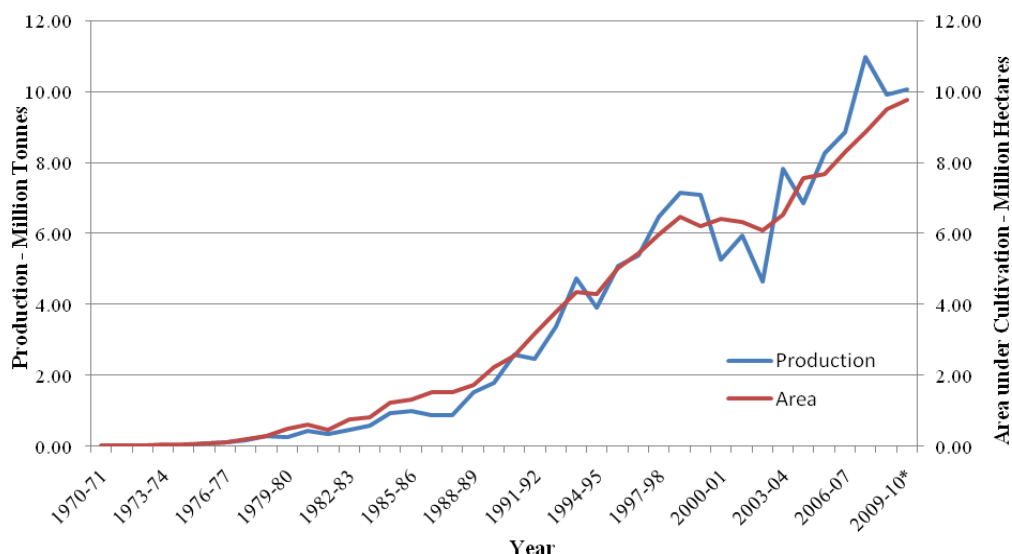
According to a report published by market research firm RNCOS in April 2010, titled 'Indian Food and Drinks Market: Emerging Opportunities' the Indian food and beverages market is expanding rapidly and is projected to grow at a compound annual growth rate (CAGR) of about 7.5 per cent during 2009-13 and would touch US\$ 330 billion by 2013.

(Source: IBEF Industry Analysis)

Soybean holds a very important position in the Indian agriculture and economy and it has a worth of over ₹ 5,000 crores. As mentioned above, India stands at the 5th position in the list of the leading soybean producing countries with a production figure of around 9-10 million tons. However, India's share in world production is considerably low at 3%- 4%. India's Soybean area under cultivation and production over a period of 40 years is illustrated in the graph below.

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Soybean Production in India, 1970 - 2010

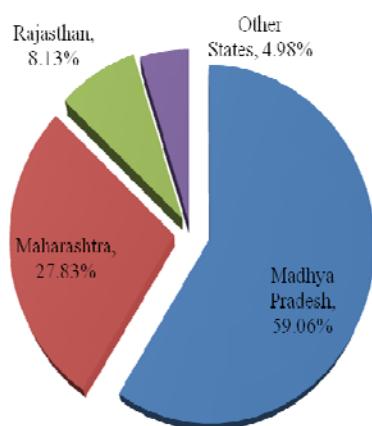


About 95% of land under Soybean cultivation is located predominantly in three states in the central India, namely Madhya Pradesh, Maharashtra and Rajasthan, with the city of Indore, the epicentre of soybean renaissance. It is generally cultivated as a Kharif Crop under rain-fed situation. The state-wise soybean production and area under farming over the last 3 years in the Kharif season is illustrated below:

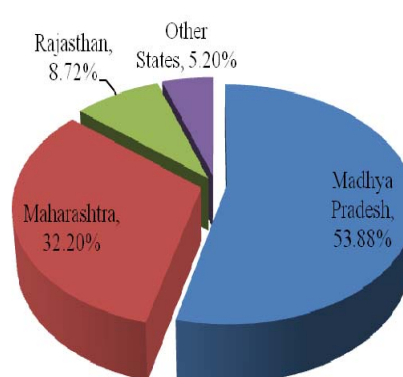
State	Area (Million Hectares)			Production (Million Tonnes)		
	2008	2009	2010	2008	2009	2010
Madhya Pradesh	5.14	5.30	5.52	5.19	5.51	6.10
Maharashtra	3.07	3.03	2.60	2.84	2.98	2.75
Rajasthan	0.85	0.71	0.69	0.73	0.61	0.76
Other States	0.56	0.63	0.49	0.54	0.63	0.51
All India	9.62	9.67	9.3	9.30	9.73	10.12

(Source: SOPA)

Production of Soybeans



Area under Production



(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

India's 2010-11 Soybean production is forecast at 9.2 million tons. Area is forecast at 9.5 million hectares, down 0.1 million or 1 percent from last year. The major factor for increased production forecast is the good rainfall experienced during this year. The 2010 monsoon rainfall for the country as whole was 4 percent above normal with central India (the major soybean region) receiving 6 percent above normal for the period between June and September. There were a few isolated regions of drier – than – normal conditions in northern Madhya Pradesh and in southern Rajasthan, which contributed to the slightly lower planted area compared to last year.

(Source: Agricultural Commodity Prices)

SWOT Analysis of the Soybean Industry in India (Source: Directorate of Oilseeds Research)

Strengths

Diverse agro-ecological situations

The diverse agro-ecological situations prevalent in the country favours cultivation of edible oilseeds like Soybean. Soybeans are being cultivated in all the agro-eco-regions of the country except island ecosystem. Among the 20 different agro-eco-regions of the country, semi-arid ecosystem is the most important one, covering more than 50% of the oilseed area and 55% of the total oilseeds production of the country. These major semi-arid regions include the major soya growing central plains covering the states of Madhya Pradesh, Northern Maharashtra, and Southern Rajasthan, along with minor regions like Gujarat, Chattisgarh, Andhra Pradesh, and Karnataka.

Strong research network for development of Soybean technology

Oilseeds research in India received an impetus with the setting up of All India Coordinated Research Projects (AICRP) on oilseeds in 1967. In 1979 the National Research Centres (NRCs) were established that currently co-ordinate the research for Soybean in India. This research network is responsible for the development of technology Soybean crops and they also cater to the demand for technology needs from the Soybean growers of the country. These advancements in technology have shown 10% – 40% yield superiority over local cultivators with better resistance to insect pests and diseases.

Production and distribution of quality oilseeds

Distribution of assured quality seed is necessary for attaining higher yields. The Indian seed industry has shown impressive growth in serving the Soybean growers and its role is not only to provide adequate quantity of quality seeds but also to achieve varietal diversity. The Ministry of Agriculture serves the soybean growers through National Seed Corporation, State Seed Corporations, 22 State Seed Certification Agencies and 102 seed testing laboratories all over the country

Initiatives from oil industry

There has been a remarkable surge in the consumers' preferences for quality of oil world over. In recent years, the edible oil industry has taken initiatives to increase oilseed production. The initiatives taken by oil industry associations like Soybean Processors Association of India (SOPA) and The Central Organization for Oil Industry and Trade (COOIT) in laying out platforms wherein, the fruitful interaction between researchers, technocrats, industry representatives and consumers can take place are encouraging.

Weakness

Production Situation

The annual soybean production of the country is faced with high degree of variation, as nearly 76% of the soybean area is under rain-fed conditions and therefore subjected to uncertainties of moisture availability. Also, in soybeans, the farmers are using predominantly the saved seeds, resulting in about 80% of the area sown with farm saved seeds of old and obsolete varieties.

Soybean crops are prone to damage by major diseases. Cultivars with high level of resistance are available mosaic disease in soybean. Incidentally, most of these resistances are race-specific and there is always possibility of breakdown due to shifts in pathogen population. Also, none of the soybean cultivators possess high level of resistance to major insect pests, though partially resistant cultivars are known only against *Spodoptera* in soybean.

Processing situation

Indian processing industry suffers from several maladies like outdated technology, lower rates of utilization of installed capacity, low oil recoveries and high unit costs. The cost of soybean oil processing in India is very high as compared to the countries like China and USA mainly due to smaller capacities, low technical efficiency and low capacity utilization. Additional inefficiency arises from non-integration of solvent extraction units with expeller units; as a result, significant amounts of expeller cake are not solvent extracted resulting in considerable losses of oil and meal products.

Opportunities

Production situation

Biotechnology offers an impressive option to supplement the ongoing efforts on developing genetically enhanced germplasm of soybeans for achieving sustainable food production. Recent advances in molecular biology have great potential to identify progeny that can be selected for improved resistance and to document pathogen variability.

Expanded Cultivation Area

Extending soybean cultivation in underutilized farming situations such as rice fallows of eastern India and in some coastal regions, where more than 15 million hectares are under low land rice is one of the opportunities of increasing area under soybeans. Major increase is also possible through introduction of

soybeans through intercropping, which is possible in nearly 45 million hectares area under widely spaced crops like sugarcane, maize, cotton, pigeonpea and plantation crops. Soybeans can be introduced as intercrops in less remunerative traditional food crops like rain-fed wheat, whose replacement is not possible.

Processing situation

There are uncommon opportunities to add value to different oilseeds and oils, which must be fully exploited, which will eventually enhance the competitiveness and sustainability of these crops. Vertical integration of expelling and solvent extraction alone can increase the oil recovery by more than a million tonnes. At the same time, there is a lot of scope for the industry to exploit the by-products obtained during soybean oil processing for value addition. An extension of the retail boom to the soybean sector through horizontal linkage holds great promise since the efficiency levels in the production and processing are enhanced ultimately leading to higher soybean production on a sustainable basis.

Threats

Production situation

The continuous cultivation of soybean crops without proper crop rotation has led to depletion of soil nutrients as well as increase in pest and disease incidence causing upto 40% yield loss. The irregularities of monsoon and pestilence at given points of time, hamper the farmers' quest for good harvest. Also, the crop loss under poor soil quality, wherein many of these crops are cultivated in rain-fed conditions is immeasurable.

Processing situation

The technical inefficiencies in soybean production, on an average have been found to be 25 to 30% and even higher at the farm level and/or processing unit level along with scale inefficiencies. Lack of assured market for soybeans and timely & assured supply of quality seeds and raw material for processing have been found as important factors contributing to the poor performance of the soybean industry.

SOYBEAN PRODUCTS

Soybean Oil

Soybean oil is the world's largest source of vegetable oil. This vegetable oil is a very healthy food ingredient and does not contain much saturated fat. It is also the principal source of omega-3 fatty acids and the primary commercial source of vitamin E as well. Soybean oil contains natural antioxidants which remain in the oil even after extraction. Often termed as a healthy and nutritious cooking medium, this oil has special advantage over other oils as it is low in calories due to higher level of polyunsaturates. The neutral flavor and well-balanced fatty acid profile of soybean oil make it a desirable ingredient for a variety of applications from baked goods to salad dressings.

Oil Composition

- Saturates: 15
- Monounsaturates: 23
- Polyunsaturates: 62.

Health Benefits

A rich source of nutrients and vitamins, soybean oil possess innumerable health benefits. It prevents heart disease by reducing total cholesterol. This healthy oil also helps in preventing plaque build up in the arteries, which could lead to stroke or heart attack. Certain findings and studies suggest that a regular intake of soy foods may help to prevent hormone related cancers such as breast cancer, prostate cancer and colon cancer.

Uses

It is widely used in the food industry for preparing variety of products. It is not only used in food products but is also used as renewable raw material to produce a variety of non-food products including bio diesel, inks, plasticizers, crayons, paints and soy candles.

(Source: <http://www.agriculturalproductsindia.com>)

Soybean Meal

Soya meal is extracted from the soybean, regarded as an important crop throughout the world. Soya meal is regarded as the best vegetable protein food source and accounts for over 65% of the world's protein requirements. A solvent extraction method is used in the production of the soya meal where the beans are first crushed and subsequently, the soya oil and soya meal are extracted. It is a highly preferred food source as it is easily digestible, protein rich and also due to its energy giving nature. Soybean is the preferred oilseed after groundnuts of which India is the largest producer. It is produced by solvent extraction method where the oil is extracted and then defatted. Soya meals can be used to prepare sweet or savory baby food. Soybean meals are high in B-complex vitamins, have a proven ability to lower cholesterol levels and is anti carcinogenic. Soy contains essential amino acids, proteins and other nutrients and is classified as a food and drug.

Soya Meal Trade

The most popular vegetarian protein source in the world, the annual worldwide soya meal production is around 132 million tonnes. The major producers of the soya meals in the world are United States, China, Brazil and India. 45-48 million tons is the per year annual trade in India and most of the soybeans are used for production of soya meal in India. It is exported on a large scale. Crop is harvested in the months of August and September, whereas in South America it may be harvested in the month of January and February. India is one of the major exporters of soybeans. Over two thirds of the soya meal is exported to various parts of the world. Soya meal accounts for a sizeable chunk of over 84% of total oilseed meal exports from the country.

Uses

Much of the soya feed is used as animal feed and rest is used for varied human consumption purposes like in baking and meat substitutes.

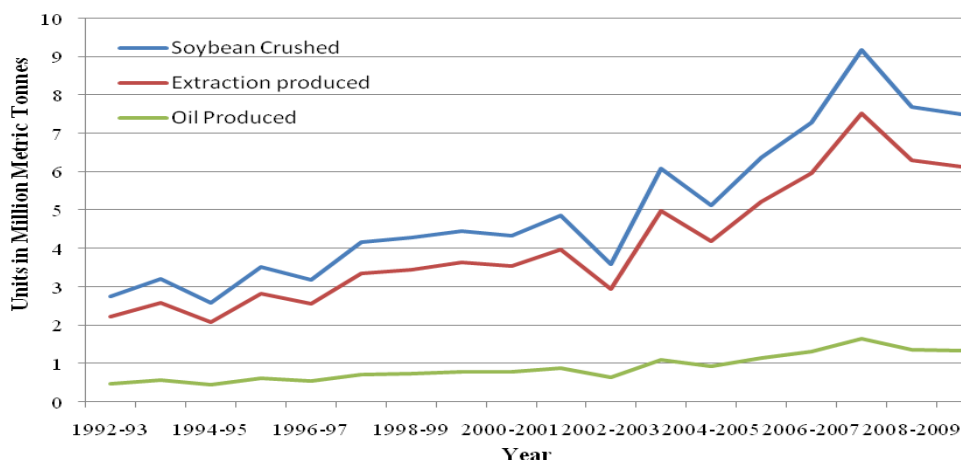
(Source: <http://www.agriculturalproductsindia.com>)

Yearly Crushing, Production of Meal & Oil in India

(in million metric tonnes)

Year	Soybean Crushed	Extraction produced	Oil Produced
2006-07	7.287	5.976	1.312
2007-08	9.193	7.538	1.655
2008-09	7.708	6.320	1.378
2009-10	7.502	6.152	1.350

As seen in the graph below, the yearly crushing, Extraction and production of Edible Oil from Soybeans follows a pattern. On an average, Oil produced is about 18% of the Soybean crushed and about 22% of the total Extraction produced.



(Source: Soybean Processors Association of India, SOPA)

Lecithin

Lecithin is a co-produce of degumming soybean oil. After processing, it is available in powder, granules, or liquid form and has different properties depending on their composition and method of production. Lecithin has many functional properties as an emulsifier, antioxidant, lubricant, anti-dusting agent, mixing and blending agent, and wetting and separating agent. Lecithin plays a vital role in human cell function and is believed to aid in liver function, cardiovascular health, physical and athletic performance, and fetal development, and may increase brain capacity and improve memory. It has multiple uses in foods and beverages, animal feed, health and nutrition products, cosmetics, and industrial coatings. For the majority of these uses, relatively small amounts (0.1% to 2%) of the lecithin are needed.

Uses

It is largely imported by pharmaceutical companies whereas confectionary industry accepts locally produced lecithin. Prominent lecithin buyers are

Cadbury India Ltd	Perfetti Van Melle India Ltd
Nestlé India Ltd	Nutrine Confectionery Co Ltd
Joyco India Ltd	Parle Products Ltd
Parry's Confectionery Ltd	Ravalgaon Sugar Farms Ltd
Hindustan Lever Ltd	Gujarat Co-op Milk Marketing Federation Ltd
Warner-Lambert India Pvt Ltd	Candico India Ltd
Wrigley India Pte Ltd	Agro Tech Foods Ltd
Ferrero SpA	Private Label

Soya Nuggets

Soya nuggets / chunks are commonly referred as vegetarian meat. The protein in the fiber undergoes structural changes and forms a fiber like network. Generally used as meat substitute, the product is free from cholesterol. Its energy value is as follows:

Energy	336 kcal
Protein:	54. 2g
Carbohydrate	28. 9g
Calcium	533mg
Iron	21. 2mg

Soy Nuggets, an extruded product obtained from defatted soya flour is a protein filled meal which acts as a powerful protein supplement. Soy Nuggets are rich in both soluble and insoluble fiber which helps in lowering blood glucose and blood cholesterol level.

Uses

Soya Nuggets with hydration properties can be used in wide range of food applications. It replaces vegetables in a variety of Indian and Western recipes. It is used as raw material for producing texturised high protein Soya Chunks. It contains approximately 50% protein, low in fat and an excellent source of protein, iron and B-vitamins. It is pure vegetarian, healthy food for all ages and diabetics & heart patients. Soya Nuggets makes special diet food with high protein, breakfast cereals and noodles. This is being a highly nutritious food supplement, is widely used in military diet. It is also suggested to growing children, elderly persons and expectant and nursing mothers, diabetics, cardiac patient and slimmer. It is rich in body building proteins and natural minerals. It contains very low cholesterol, saccharides and salt and is almost free from fats. It is light and easy to digest.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with the Financial Information and Risk Factors on page nos. 105 & xiii respectively, of this DRHP. In this section only, any reference to “we”, “us” or “our” refers to Jaishree Industries Ltd.

OVERVIEW

Our Company, Jaishree Industries Limited (formerly known as Jaishree Granites Private Limited) is a producer of granite tiles and slabs in India. The core products of our Company are polished granite slabs & tiles. Our Company manufactures a vast range of Granites, including more than 80 colours and textures of granites. Our Company also manufactures counter tops for export purposes and other products like cobbles and curb stones. The services of our company include packaging and transporting of the product. We intend to expand our product range in this industry by venturing into trading of Imported Marbles.

Our Company is also engaged in the trading of Agri-Commodities (Food Grains & Pulses) since December 2009. We intend to expand our operations by entering into manufacturing of Refined Edible Oil from Soybean seeds and also manufacturing of other Soybean Products.

GRANITES & STONES

Mr. Shyam Sunder Maheshwari who has 22 years of experience in the field of Granites & Stones has promoted our Company along with his wife, Mrs. Asha Devi Maheshwari in the year 1996 in Behror in the State of Rajasthan. Primarily our company was engaged in trading of natural stones and it was buying finished granite & marble slabs from the manufacturers and supplying them into the local market. In the year 2003, the registered office & operations of our Company shifted to New Delhi from Behror. Gradually, with increasing international demands, our Company ventured towards manufacturing. We have set up a granite processing plant at Ongole (Andhra Pradesh) with an installed capacity of 200,000 Sq Mtrs., which is a 100% Export Oriented Unit and is equipped with state of art indigenous machinery. The Utilised Capacity of the unit in the year 2007 was increased to 29% as against only 14.5% in the year 2006. In the year 2010, we added modernised machinery and our Annual utilised capacity was increased to 37%. As per annualised half-year ended production, our unit has a utilised capacity of 45%, processing approximately 100,000 Sq. Mtrs. Our Company's installed and utilised capacity over the past 5 years is given in the table below:

(Sq. Mtrs. in Lakhs)

Particulars	30 Sept 2010	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
Licensed Capacity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Installed Capacity	2.00	2.00	2.00	2.00	2.00	2.00
Utilised Capacity	0.45	0.75	0.65	0.74	0.58	0.29
% Utilisation	45.00%*	37.5%	32.50%	37.00%	29.00%	14.50%

* Annualised

Our Quality Management System has received an ISO certification, ISO 9001:2008 from KVQA Certification Services Pvt. Ltd. certifying our management systems for quality, environment, occupational health and safety management. This certification scope is accredited by the Norsk Akkreditering of Norway which is a member of the International Accreditation Forum (IAF). Our Company has also received a rating of “SE 2A” from NSIC – D&B – SMERA (National Small Industries Corporation; Dun & Bradstreet; Small & Medium Enterprises Rating Agency of India) signifying us in the category of ‘High Financial Strength and High Performance Capability’. Further, we have received “CE certification” from UK Certification & Supervision Ltd. confirming that our product – Granite complies with the essential safety requirements of Construction Directive 89/106/EEC.

Existing manufacturing facilities

Our Factory site is located at S. No. 1166, S. N. Padu (V), Chimakurthy Road, Ongole- 523225, Dist. Prakasam, Andhra Pradesh. The overall installed capacity of our Company in the Granite Business at this unit is 200,000 Sq. Mtr / Annum. Existing manufacturing facilities includes a processing plant of polished granite slabs and tiles and the details of existing Plant & Machinery are given below:

Type of Plant and Machinery	Description	Quantity
Polishing	Line Polish	1
	Hand Polish Machines	4
Cutting	Block Cutters	6
	Edge cutting Machines	6
Calibration	Calibration Machines	2
Chamfering	Chamfering Machine	2
Packing	Packing Machine	1
Loading	Fork Lift	1
Water line	Submersible Pumps	3
	Motors	4
Air	Compressors	3
Lifting	Crane	1
Carrying	Hydro	1
	Hand Pallets	9
Carpentry	Wood cutter Machines	2
Buffing	Buffing Machines	2

Expansion: New Product

Our Company now proposes to commence trading in imported marble as an expansion to the existing business of Granites & Stones. Imported Marble as a product is parallel to the Indian Granites & Stones market, i.e. the products do not eat into each other's market share. Being in the Indian Granites Business for more than a decade, expansion, by introducing Imported Marbles will be a great opportunity for our company to expand its market share and also market presence.

Our company proposes to import Polished Marble Slabs under the Open General License policy, while the Rough Marble Blocks to be procured directly from the Importers of such Rough Blocks. The Polished Marble Slabs and the Rough Marble Blocks are generally imported from Turkey, Italy, Spain, Oman, Vietnam, Norway, Brazil, and other parts of the world. The Rough Blocks will be sent for processing to obtain Polished Marble Slabs. We propose to sell the Polished Marble from our company's existing retail outlets.

AGRI – COMMODITIES

In December 2009, our Company diversified in the area of trading of Agri Commodities, concentrating on Food Grains & Pulses. The Food Grain industry is characterised by huge number of buyers and sellers with varying quantities of food grains to buy & sell. We procure the food grains & pulses from potential sellers and sell to whole sellers, who for demographic and various other reasons cannot reach the sellers directly. Our primary motive for entering into the business of food grains & pulses was to gain exposure in this industry thus creating a base for further expansion in Soybean Extraction in the near future and other Agri-Commodities in the long run.

Our Food Grains & Pulses Business is based out of Indore. We carry out our operations from our branch office at Indore which is presently situated at Flat No. 406, Utsav Avenue, 10/1 to 10/5, Ushaganj, Jaora Compounds, Indore – 452001.

In the one year of our trading operations, we have built a strong base of suppliers and customers as well as selling agents, which we believe will form the foundation of our Soybean business.

Proposed Expansion to Soybean Processing

Our Company has planned to expand its Agri Commodities business by entering into the manufacture of Oil from Oil Seeds. This business can be conveniently and economically carried on with the existing activity of our company. The potential Soybean project aims to manufacture and market Soybean Oil and other Soybean Products to cater to Indian as well as International markets.

Our Company is proposing to set up a processing and production plant in the area of Barlai Jagir, Tehsil Kshipra, Dist. Indore, Madhya Pradesh for the production & processing of Soybean Seeds, Edible Soya

Flour, Soya Nuggets, Vegetable Oil and Soya Lecithin. The proposed unit is approximately 21 km from Indore city and will also have a Refinery which will be based on the oil produced from the above solvent extraction plant. Our company proposes to set-up various units for carrying out the above activities. These include:-

Solvent Extraction Plant	500 TPD
Refinery	100 TPD
Soya Flour	50 TPD
Nuggets	100 TPD
Lecithin	6 TPD
Acid Oil Plant	5 TPD

For detailed description of Proposed Plant & Machinery, please see Chapter “Objects of the Issue” on page no. 29 of this DRHP.

Solvent Extraction plant will process soybean for de-oiled soya meal production. Soya De-Oiled Cake (DoC) is a product of extracting oil from Soybean seeds during extrusion-pressing processing. The oil cake has high exchange energy, contains a lot of fibre, oil, mineral substances. We believe that DoC has a huge demand in Europe and US for growing farm animals such as poultry and swine on an industrial scale and for aquaculture.

Gums separated from crude soya oil in the oil storage tanks will be used as raw material for lecithin plant. Soap-stock of oil refinery will be converted into acid oil.

COMPETITIVE STRENGTHS

Granites & Stones

Management Expertise

Our Promoters have been engaged in the business of granites & stones for more than 2 decades. Our Group has proprietary firms in similar line of business i.e. trading of Granites & Decorative Stones under Jaishree Sangmermer Udyog and trading & export of Granites & Decorative Stones under M/s. Shyam Exports. Our promoters, over the years have gained experience of setting up & running a manufacturing plant.

Quality Certification

We have three quality certifications. Our Quality Management System has received an ISO certification, ISO 9001:2008 from KVQA Certification Services Pvt. Ltd.; Our Financial & Performance ability has received a “SE 2A” certification from NSIC – D&B – SMERA; and UK certification & Supervision Ltd. has confirmed that our product, ‘Granites’ complies with the essential safety requirements of Construction Directive 89/106/EEC and given us a “CE Certification”.

Cordial Relationship between management and labour

We enjoy cordial relations with our employees and there is no union that represents our employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

Competitive Prices and Operating Efficiency

We strive to offer our customers with the best rates possible thus forming part of our customer retention strategy. We are able to provide competitive rates as having a manufacturing unit helps us control our costs. We have taken on lease a granite mine which provides for part of Raw Material for our processing plant. This helps us to control some of our Direct Costs. Also, our manufacturing unit is able to maintain a better efficiency as the finished products are directly sold at our shops / showrooms to the end consumer/wholesaler.

Strong Customer portfolio

We have, over the years built for ourselves a well known position in the industry. Our customer / client list includes Indian realty developers like Nagarjuna Construction & Ansal Housing and overseas clientele like

Marblemosaics Ltd., UK, Aqua Fit, Switzerland, etc. to name a few. Having our own 100% EOU, adds to our advantage as we are able to Process granites as per the requirements of the customers.

Locational Advantage

Our unit is based in Ongole, Andhra Pradesh which is in close proximity to the major market of Hyderabad & Chennai. This proximity to a metropolitan city has its inherent advantages. The location is near to Chennai sea port and the many granite slabs mines are situated in close proximity. Besides the infrastructure, transportation & manufacturing facilities in & around the area help in availing trained labour.

Tax Incentives

As per the provisions of Section 10B of the Income Tax Act, 1961, our Company is eligible to claim deduction in respect of Profits & Gains derived from its 100% Export Oriented Unit (EOU). However, this deduction is subject to compliance with certain conditions as mentioned in the above Act.

Agri Commodity Business

Strategic Utilization of Distributor Network

Our Company is already in the business of trading of agri commodities since December 2009. Over a period of one year, we have set up a considerable distributor network and contacts with suppliers and customers for agri products. This will form a base for expansion of the current agri trading activity into Manufacture of Oil from Oil Seeds and thus utilising the distributor network for marketing and distribution of Soya products.

Our edible oil distribution network will comprise of wholesalers/ agents. Initially, we will sell our products through various wholesalers & /or agents located at various parts of the country. Gradually, we intend to build & develop our own brand.

Potential Demand predicted by Industry Standards

Our company's proposed Soybean business looks promising on account of Industry data which predicts a growing demand supply gap for edible oil.

India's Production of Major Oilseeds 2005-2006 to 2009-2010

(in million tonnes)

Sr. No.	Oilseeds	2009-10	2008-09	2007-08	2006-07	2005-06
1	Groundnut	4.90	6.25	7.29	4.86	7.99
2	Rapeseed & Mustard	6.40	6.70	7.06	7.44	8.13
3	Soybean	8.75	9.10	9.45	8.85	8.27
4	Sunflower	0.82	1.00	1.12	1.23	1.44
	Total	20.87	23.05	24.92	22.38	25.83

(Source: Directorate of Economics and Statistics, Department of Agriculture and Cooperation)

Indigenous oilseeds production, hovering around 24 to 26 million tonnes per annum, has been just insufficient.

(in million tonnes)

Oil Year (Nov. Oct.)	Production of Oilseeds	Net availability of edible oils from all domestic sources	Consumption of Edible Oils (domestic and import sources)
2005-2006	27.98	8.32	12.73
2006-2007	24.29	7.37	12.09
2007-2008	29.75	8.65	14.26
2008-2009	28.16	8.60	16.78
2009-2010*	25.51	8.20	18.30

(Source: Annual Report 2009-10, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution)

* Estimates

Thus, on an average there is a shortfall of nearly 3.7 - 4.3 MT per annum in the domestic market.

Import of Vegetable Oil

Year	Qty (Million Tonnes)
2009-10	10.1
2008-09	8.18
2007-08	5.61
2006-07	4.71
2005-06	4.42

(Source: Annual Report 2009-10, Department of Food and Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution)

Though, Imports have only doubled in last 5 years, prices in domestic market remain high. The above factor provides a strong business case for strengthening presence in Indian edible oil market by domestic refining of crude edible oil and selling it through existing established distribution network. Despite massive production of vegetable oil in the country, the country has been compelled to import the same. We believe that demand supply gap is going to increase in the coming years.

Strategic location of manufacturing units

We believe that the strategic location of our proposed manufacturing unit will allow us to cater to a larger consumer base, reduce logistic costs and achieve economies of scale. The location identified for our facility at Indore is situated at the centre of the soybean belt. The locational advantage will allow lower procurement costs.

The proposed location at Barlai Jagir, Tehsil Kshipra, Dist. Indore is strategically located near the high consumption area as well as in close proximity of the raw material source. We believe that the location of this unit, which is adjacent to the high consumption regions such as Uttar Pradesh, Jharkhand, Bihar, West Bengal and Assam in India, and Nepal and Bangladesh, will help in reduction of our distribution costs. The unit will be in a region well connected by railways and roadways, which will reduce transportation cost, save spillages and facilitate distribution of our products to the high consumption regions.

Integrated Operations

Our operations are designed to be fully integrated, starting from solvent extraction capability, refineries to refine the crude oil, processing the de-oiled cake to cater to the animal feed sector and also manufacturing of other Soya products like Nuggets, Flour, Lecithin, etc. We intend to market our products all across India and neighbouring countries and thus create a strong customer base.

Sufficient Warehousing capabilities

We are proposing to set up storage facility for 10,000 MT of Soya Seeds by installing a Silo at the proposed site of the plant. The warehouse will be strategically located on the route which leads to the nearby soya producing belt. As the raw material will be under our physical possession the quality, pilferage and damages will be minimal. Also we are building a special storage for Hexane which is used as a consumable. We propose to build 3 Storage tanks of 20 Kilo Litres each. Also, we have proposed a 100 MT storage for Bulk Oil.

Transport Facilities

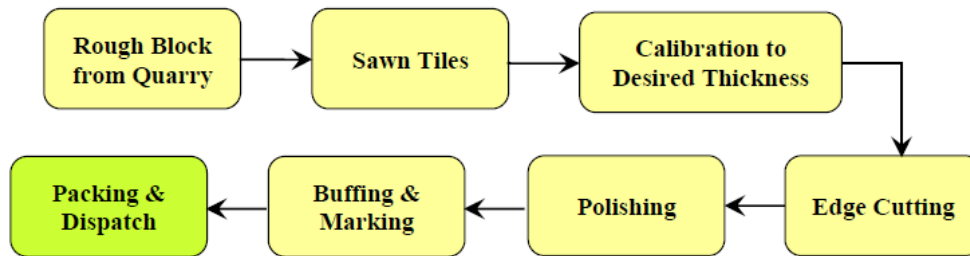
Indore is a commercial centre of Madhya Pradesh State and is well connected by both road and rail. It is connected to a National Highway, NH – 3, which connects Mumbai and Delhi thus having easy access to a major route. An extensive network of roads effectively serves different parts of the town and the industrial area.

MANUFACTURING PROCESS

Granites & Stones

Granite belongs to the igneous family of stones. Granite starts out as a lump of liquid magma, the molten rock found at the core of the planet. Seismic activity slowly pushes the large lump (node) of magma up towards the surface of the planet to form a substance approaching the hardness and durability of diamond. While this happens, the magma slowly crystalizes as it cools.

Rough blocks of Granite are quarried from mines, which are then shipped to the factory site by rail or road. The rough blocks coming from the mines are in various random shapes and sizes. These blocks are cut in to rough tiles (Sawn tiles) by the help of block cutter machines. Slabs of different thicknesses come out sawn from each block. These blocks are further sent for Calibration. Calibration is mainly used for maintaining thickness of the tiles. In Calibration Machines, we maintain the thickness to the desired thickness by the use of diamond blades set on a power loom through vertical gang-saws working at varying speed. The slabs of desired thickness are then sent to the Edge Cutting machines. As the name suggests, Edge cutting machines are used to maintain sharp and accurate edges of the tiles.



The stone slab is mat by nature, to make it brilliant you have to polish it by a surface abrasion process. Polishing is done by automatic line polish machine and manual polisher to maintain good quality of polish. The first step of this phase is setting each slab properly on the line, than washing it at a high pressure in order to clean every trace of dust. The roller conveyor carries on the slab into a oven-drying section, then all the resin and glue residue are removed. After oven-drying the real polishing activity begins: while carried over the roller conveyor the slab is subject to the rotating pressure of the polishing heads set in increasing order of sharpness. The final wax and the quality visual control complete the polishing manufacturing phase. Coming out from the polishing line each slab is protected by a plastic film and recomposed in the original block, in order to preserve the colour uniformity of the parcel.

The Polished slabs of Granites are then sent for Buffing & Marking, which is a semi automatic process. Buffing is used for cleaning extra polish off tiles with the help of a crystal solution and buffing machines known as Electric Orbital Buffer. Marking is the next step where each slab each checked for quality as per ISO standards. The Granite Slabs are ready for packing. Packing is generally done as per the grade of Granite. First grade tiles are free from scratches, chipped corners and cracks. Second Grade Tiles are tiles with defects identified by the quality controller. These defects may be uneven bevel, poor gloss, flaws in the material or chipped edges and corners.

First grade tiles are packed into polystyrene boxes, cardboard boxes or loose into wooden crates. These boxes are stamped with the quality controller's identification stamp as proof of quality checks. A tile sample is placed on the top of the crate indicating colour, finish, block no, date of production and the processing line. The sample also represents the colour of the tiles inside the crate. The crates are then steel strapped and sealed and sent for delivery as per orders or to the warehouse.

Agri Commodity – proposed Soybean Processing Plant

Solvent Extraction Plant

1. Preparatory Section

This is the heart of plant. It consists of a set of machines, which progressively converts a hard seed into flakes:-

- a. Vibrating Screen : To remove husk, broken seeds and soil particles
- b. De-stoner : To remove stones
- c. Blower : To blow away dust in sacks
- d. Magnetic Separator : To remove iron particles

- e. Cracker : For cracking seeds
- f. Cooker : For softening borker seeds by dry steam so that there is minimum production of “fines” while flaking
- g. Flakers : For converting broken seeds in to flakes of uniform thickness.

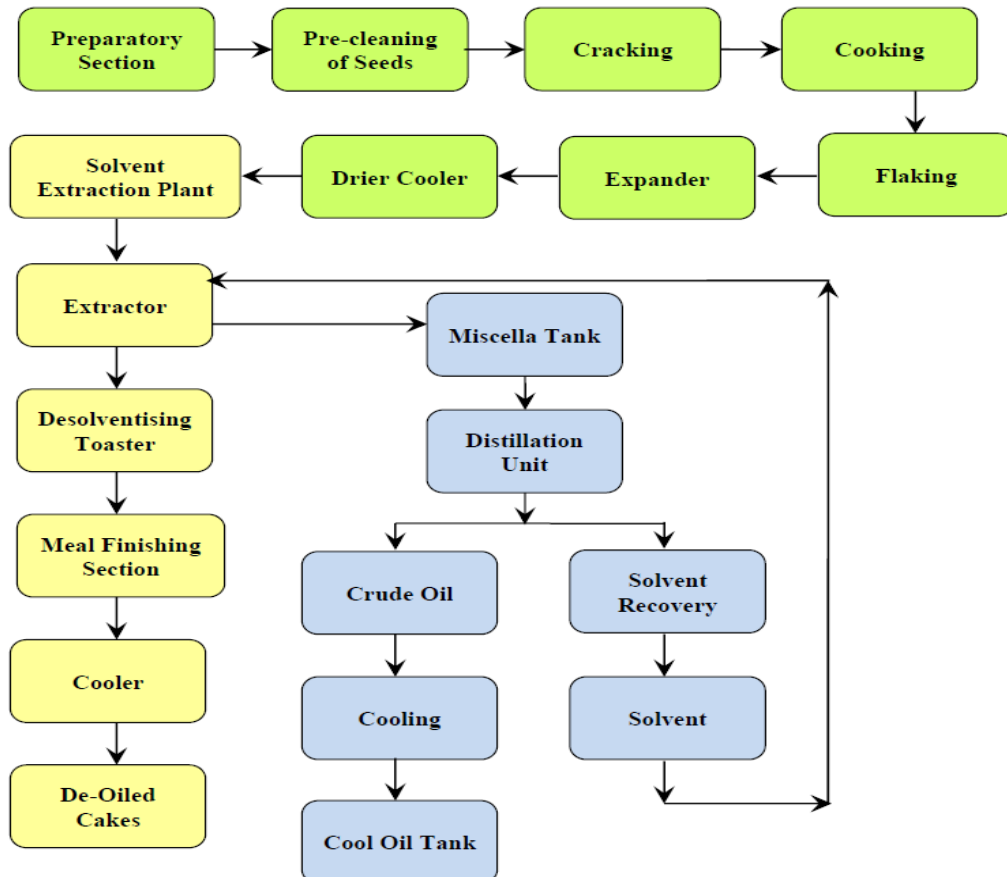
The material flow is ensured by bucket or radler or screw conveyor. The process also uses extruder expander for flaking seeds like rapeseed. Flakes duly prepared are shifted through a radler conveyor in plant which is located in safety area. The ventilation in conveyor ensures that the material loses all heat it must have gathered so far.

2. Main Plant

A rotary valve regulated conveyor feeding in to hopper of extractor which is a massive single body compartment to carry out extraction, over hoppers. The compartment is divided into 11 hoppers over which a screen moves. Flakes are loaded on this screen which passes under atomizers. These atomizers spray miscella on flakes passing through. The last hopper receives spray of pure solvent. The solvent leaches through flakes and comes to hopper. Overflow of this hopper goes to third hopper. This process is repeated 11 times. Extractor is maintained under pressure so that solvent vapours do not escape. This is followed by oil extraction out of the flakes. This mix is further fed to the de-solventiser toaster to evaporate the solvent particles and oil particles. The output of the toaster accumulated at bottom is the de-oiled cake (DOC), which is separately collected.

Miscella from here is taken to distillation section, which comprises of series of evaporator and separators. At each stage miscella is heated under dry steam to vaporise solvent from miscella. At the end, there is a stripping column. Here miscella drops on SS vertical plates on which steam rises. Steam erases traces of solvent if any. Entire vapour is passed through 3 condensers to recover solvent, which is recycled in the process. A vent system ensures all trapped air is removed. In view of nature of solvent, the process is carried out within safety zone where flameproof motors and tools are only allowed. A panel board provides schematic view of operations in the plant.

Process flow chart for solvent extraction



Refining Process of Soybean Oil

1. Gum Conditioning

Gums are precursor to high value lecithin. Water-degummed oil contains remaining phospholipids and other gum-like impurities. To remove these, centrifugal degumming using phosphoric acid is carried. As a precautionary measure to inactivate gums, phospholipids and other non-glycerid, palm oil is treated with @ 0.1% phosphoric acid at 60-65C. This phosphoric acid removes all non-hydratable and hydratable gums. In fact these are inactivated and got removed with spent bleaching earth.

2. Continuous Neutralization

A majored quantity of alkali media is injected in centrifuges such that entire FFA is neutralized in soap stock and is concentrated on periphery, resulting in less and less of neutral oil entanglement.

3. Bleaching

Bleaching process removes colour pigments, chiefly chlorophyll, but also some carotenoids by means of adsorption on to bleaching earth or clay. Bleached oil flows directly to either hydro generator or to the deodorizer or to both in sequence for the preparation of edible products. The dry pre-treated and gum conditioned palm oil flows in to continuous bleacher which is made of SS. Oil is hearted in the continuous bleacher up to 90 C under vacuum of 60 torr wherein measured amount of activated bleaching earth is added. The oil is stirred with bleaching earth for ½ hour residence time and thereafter oil passes to pressure leaf filters. Bleaching earth added to oil is separate to pressure leaf filter and clear oil further goes to deodorizer section.

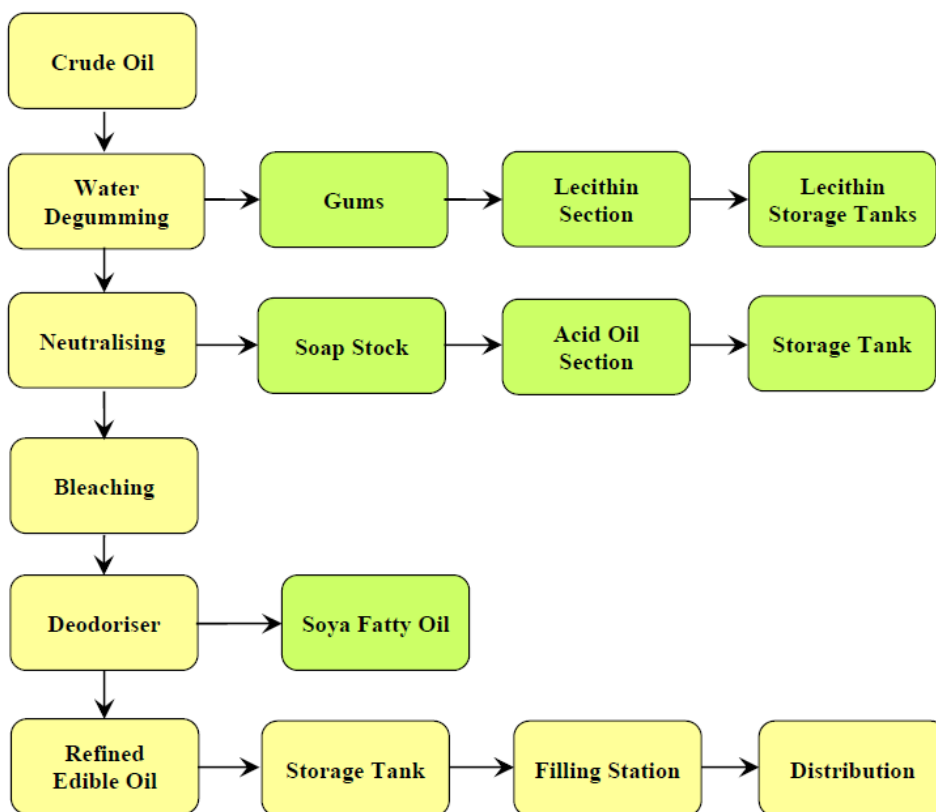
4. Deodorizer / De-acidification

Deodorization is the last major processing step in refining of edible oils. It is responsible for removing both the undesirable ingredients occurring in natural fats and oils and those, which may be imparted by prior unit processes. The unit process finally establishes the oil characteristics of flavour and odour which are those most readily recognizable by consumer when cooling oils are used. Deodorising is in most cases the final stage in an oil refining line. Its main purpose is the removal of those substances that are responsible for off-flavours and odour.

The bleached oil is fed at controlled rate in the deodorizer with a sequence of oil heating, oil deodorizing and oil cooling. The bleached oil is continuously pumped through de-aerator to heat exchanger to preheat it by means of the out going deodorized oil. The final heating of oil to deodorization temperature is carried out in heating tray(s). Steam is injected here to allow improved heat transfer as well as to accelerate removal of volatile matter. The temperature is maintained by automatic control in the heater. The oil flows by gravity in deodorizing trays that are identical to heating tray but divided in two or three concentric channels. The heated oil enters the upper deodorizing tray through the overflow and circulates from channel to channel via openings. While flowing systematically within the trays and from tray to tray, the oil constantly comes in contact with stripping steam. The agitation and mixing of steam with oil is enhanced with the incorporation of steam lift pumps in the deodorizing trays.

During this journey through deodorizing trays, some compounds in the oil are broken down by thermal action notably, colour bodies viz. carotenoids. This will reduce the colour of oil as also various complexes such as peroxides, resulting in more stable oil. Oil from deodorizing tray flows by gravity to the heat recovery tray. In this tray(s) the deodorized oil is cooled by means of the incoming bleached oil circulating inside the coils, under vacuum and with continuous steam injection for improved heat exchange and final removal of undesired volatile compounds. Citric acid is injection in the oil in this section. Finally, the oil is discharged and cooled by incoming crude oil in the economizer. After further cooling in final cooler, oil is polished in SS filters and sent to storage.

Continuous refining process of edible oil



Lecithin (Liquid)

Deodorizer distillate is the volatile organic material which is steam distilled in the deodorization of fats and oils. This distillate contains tocopherols and sterols which are valuable raw materials for production of natural vitamin E and steroid drugs. It is undesirable from the standpoint of stability to remove all of the tocopherol. Depending on market conditions, the value of distillate may be determined by its sterol, rather than tocopherol content.

These are phospholipids in oil, which are soluble in the solvent. Thus in the process of oil extraction, these are also extracted. When water is added to this oil, lipids absorb water, and thus become heavier than surrounding water. These are settled and removed. The gums removed from oil are called lecithin. Lecithin and solvent are mixed in vessel at a temp of 15 to 18 degree and stirred. Oil is removed and material appears in powder form. Decanted lecithin powder is collected, dried and ground in batch in a pin mill. The Powder from fluid bed dryer using steam at 45 to 70 degree C is employed in final drying after which it is packed. For separating granules, material is sieved under different sieves to get granules.

Soya Nuggets

Texturised Soya Products (TSP) is made from a mixture of proteins extracted primarily from soybeans. It is imperative to have good quality solvent extracted flour for processing with the Nitrogen solubility index in the range of 45% to 50%. Other parameters are 7.5 to 8.5% moisture, 53 to 54% proteins, less than 10% fat, 2 to 3% fibre and yellow to light brown colour. Extracted flour with these characteristics is suitable for extrusion. It is extruded into various shapes (including nuggets) and sizes, exiting the nozzle while still hot and expanding as it does so. The defatted thermoplastic proteins are heated to 150-200°C, which denatures them into a fibrous, insoluble, porous network that can soak up as much as three times its weight in liquids. As the pressurized molten protein mixture exits the extruder, the sudden drop in pressure causes rapid expansion into a puffy solid that is then dried. The chunks can also be converted into flakes or granules. Nuggets are primarily used as a meat substitute due to its low cost, i.e. less than a third the price of ground beef, and when cooked together will help retain more weight from the meat by absorbing juices normally lost.

RAW MATERIAL

To maintain quality standards, the raw materials must fulfil the quality requirements demanded by the process, equipment and technological parameters.

Granites & Stones

The basic raw materials for this business are Rough Granite Blocks and Sawn Strips of Granites. We have obtained a mine (quarry) on Lease from the Government of Andhra Pradesh at Survey no. 13/P of Gummampadu village, Pamuru Mandal Prakasam district, Andhra Pradesh for a term valid until April 2025. This mine has an approximate granite resource of 300,000 Cubic meters or 1.25 million Ton. Though, raw material is directly mined from our Quarry, we require additional raw material as the mine has granite resources only for Classic Gold, Classic Yellow and Classic Beige colours. For other colours, the raw material is mainly procured from the nearby areas like Madurai, Bangalore, Karim Nagar, Khammam and Ongole. There are no tie ups with suppliers for acquiring raw materials as this field is totally unorganized. We purchase raw materials from different suppliers as per availability of best quality raw material.

Agri Commodity – Proposed Soybean Business

The basic Raw Materials that will be required in the Solvent Extraction Plant are:

- i. *Soybean Seeds* – The Soybean Plant is proposed to be set-up in Indore which is the centre of the Soya belt. The Soya seeds required for raw materials will be procured from local farmers and ware-houses. Since the plant and production therein is not yet commenced, we have not entered in any contract or agreement for procuring of the Soya seeds.

Soybean supply is demand oriented, i.e. supply increases only in response to increased demand. It is a cash crop which is grown majorly for processing in plants. By itself, it is not a traditional crop hence there is no direct consumption of seeds in India. With the increasing number of Soya Extraction Plants in Madhya Pradesh, the cultivation of the seed has also increased.

- ii. *De-gummed Oil* – Degummed Oil is used as a Raw Material for Lecithin Powder which will be available from in-house source. The De-gummed Oil is extracted separately during the Oil extraction process. These gums separated from Crude Soya Oil in the oil storage tanks will form the raw material for lecithin plant.

For efficient operation of the plants for bringing raw material conforming to the desired specifications, stringent quality control of input materials and outgoing finished products laboratory is necessary. Frequent determination of FFA, Colour, soap, wax etc. in oil and aflatoxin in de-oiled cake. A central laboratory is proposed to be set-up for conducting necessary physical, chemical and microbiological tests.

Besides the above basic raw materials, the Solvent Extraction Process will also require the following consumables:

- Refinery Chemicals which will include Hexane, Caustic Soda, Activated Bleaching Earth, Phosphoric Acid, Citric Acid, Filter Cloth, Sulphuric Acid, Vitamins, Activated Carbon, etc.
- Packing Material
- Lubricants, etc.

UTILITIES

Granites & Stones

The details of Utilities available at our Company's Unit situated at Ongole, Andhra Pradesh are summarized as below:

Sr. No.	Name of Utility	Details
1.	Power	
	Southern Power Distribution Company of Andhra Pradesh Limited.	250 KVA

2.	Water requirement for existing mfg process	
	Requirement	1200 Litres per Day
	Arrangement	Existing Borwells/tube-wells within premises
3.	Fuel	
	Diesel Generator (used from Jan to June due to fluctuating power supply during these months)	1
	Fuel Obtained from	Local Petrol Pumps
4.	Environmental clearance	
	NoC / Consent from APPCB (Andhra Pradesh Pollution Control Board) and MOEF (Ministry of Environment & Forests) received	Consent Received
5.	Effluent disposal	Disposal is as per the General Standards notified by the MOEF, GoI vide extra-Ordinary Gazatte Notification No. 174 Dated May 19, 1993

Agri Commodity – Soybeans

1. Electrical Power

Power will be required for operation of various machinery, creating vacuum and for thermic fluid heating. Our company will draw 1000 KVA power from 22 KV line as per internal estimate. Connection for project will be taken from existing overhead line network from nearby Substation (within 1 km from site) of Badia Kima. Our company will be providing for 1 DG set of 750 KVA as standby power.

2. High Speed Diesel (HSD)

HSD will be required as thermic fluid heater in refinery which will be procured from major fuel suppliers like BPCL or IOC etc. Its consumption has been assumed as under:

	Consumption of HSD Per MT
Soft oil Refinery	4.4 L

3. Plant Water System

The water requirement for various purposes may be classified into three board categories namely (1) Industrial water to be used for washing oil and cooling (2) potable water to meet laboratory, drinking and sanitary needs of the plant personnel and (3) Dematerialized water to meet the requirement of the steam boiler.

Make up for cooling tower	315 m ³ /day
Process	75 m ³ /day
Boiler feed	50 m ³ /day
Drinking and sanitation	20 m ³ /day

It will be sourced directly from tube-wells in the plot.

4. Steam / Coal

Two coal-fired boilers have been provided to meet the requirements of steam of the solvent extraction plant (10.25 kg/sq. cm) and refinery (17.5 kg/sq. cm). Our Company will need 16.25 TPH of steam for the Solvent Plant Boiler and 10 TPH for the Refinery Boiler.

5. Effluent Collection, Treatment & Disposal Industrial Effluent

The total discharge expected from the plant will be less than 75 m³/day. Effluent generated will be treated by the 2 stage biological treatment unit within the premises. However, we are yet to apply for approval from the Madhya Pradesh Pollution Control Board (MPPCB).

MARKETING STRATEGY

Granites & Stones

Following marketing objectives are designed by our marketing department to help our Company attain overall objectives.

1. **Retain current customers by:**
maintaining product satisfaction; meeting what competition offers; developing or increasing relationship marketing
2. **Acquire new customers by:**
line extensions (variations of existing products designed for existing markets); lowering prices on certain products to increase the sale of more expensive products; head-to-head price/cost leadership
3. **Promote proposed new product (Imported Marble) to existing customers**
Imported marble is in huge demand in the modern construction industry and customers, who procure Granites from us, also require Imported Marbles in big quantities. We intend to target these existing customers for our proposed expansion into trading of Imported Marbles

Promotion activities:

We are carrying out the following promotional activities:

- 1) **Direct Mail** to parties who can be our future buyers covering complete information about our business.
- 2) **Trade Shows** We regularly participate in various Stone Shows in India. By participating in various Stone Shows we establish a presence in the marketplace & we gain an overview of the industry at present. Our staff will be presenting the product and working with customers the entire time they are in the booth. Ensure that adequate breaks are given so the quality of presentations remains consistent. It is important that the customer relate the product to their situation. Our sales staff present most relevant points about the product and encourage customers to take information and samples.
- 3) **In-Store Demonstrations:** We usually do in-store demonstrations at our retail outlets at Delhi and Gurgaon to promote any new colour of granite as well as our existing range of granite.
- 4) **Promotion through E-commerce** is also another source for the marketing of company. Company has presence on major trade search engines like trade India, Alibaba, Indian exporter yellow pages etc. Other than this large customer base of company comes through relationship network.

Proposed Soybean Business

Our company expects the production of Soya Oil & Products to commence by April 2012. The Soybean market is direct in nature, where the existence of wholesalers & middlemen is significantly low. Buyers contact the manufacturers directly or through their agents and procure the products mainly due to its perishable nature.

We have established a good network of distributor agents in our one year of Agri Commodity trading activity. This network will serve our needs in selling the proposed Soybean Products. We are proposing to accept bookings directly from the existing customers as well as through various agents spread out in various parts of country such as Maharashtra (particularly Mumbai, Vashi, Pune, Nashik, etc.), Gujarat and Southern part of India. Though initially we will sell our products through various wholesales &/or agents located at various parts of country, we gradually intend to build & develop our own brand. We plan to sell approximately 20% of our total production under our brand in the first year and remaining 80% through wholesalers &/or agents. In the second year, we plan to sell 40% of our production under our brand and remaining through wholesalers &/or agents. With brand development over the years, we intend to reach a 100% sale under our brand within 5 years.

Brand Promotion:

Our Company intends to manufacture soya oil and its other by-products through this proposed project. As a first step towards our brand building, we will register a trademark for the brand name. Our Company intends to build the brand continuously as a manufacturer of soya products. Our Company believes that their branding exercise will enhance the recall value in the minds of our customers and will help in increasing demand for their products. To achieve these purposes an efficient, research based marketing policy will be implemented which will adhere to these basic dimensions:

1. Market penetration – aggressively targeting current markets with existing product specialties.
2. Market development/geographic expansion by entering into new markets.
3. Market segmentation – dividing existing markets.

Product developments – modify existing products, or develop new but related products.

EXPORT OBLIGATIONS

As per VSEZ-LOP No. PER.316/EOU/VSEZ/2005 dated 15th September 2005 as amended from time to time, our processing unit at Ongole has received a 100% EOU status. Accordingly, we are obligated to Export 100% of our production except the permissible limits for DTA sale as per the current Foreign Trade Policy.

BUSINESS STRATEGY

Granites & Stones

Since inception, our company was engaged sale of Granites in retail as well as wholesale in domestic market only. We strategically understood the Indian Granite Market in its various aspects like availability of good quality of finished goods at competitive prices, demands of consumers (domestic as well as commercial). Our primary motto was to enhance the overall business of our company by developing strong relationship with our existing customers and suppliers and also by enhancing the customer base. In the Financial Year 2005-06, our Company established a 100% EOU (Processing Plant) at Ongole, Andhra Pradesh. To maintain our growth & market share, we follow the below mentioned strategies:

a. Operational Dimension

Entering into foreign market was a significant decision made by our Company. We are dealing with different demographic factors in different countries and finding ideal market entry is challenging, therefore different entry mode can be used by different firms entering the same market and/or by the same firm in different markets. We have adopted and follow direct and indirect exporting thus keeping a base in as many countries as possible.

b. Market Dimension

Market dimension refers to the differences in the target markets from each other and from the home country. These differences affect our Company's target market strategy. We started exports by going to markets where we saw opportunities and the perceived market uncertainty was low.

c. Research Methodology

We are continuously following a systematic process of planning, executing and investigating in order to find answers to various specific questions. Purpose of this process is to provide strategic decisions for our company. The process is aimed towards providing international strategic decisions for the business.

Research Objective

1. To identifying major markets and growth rate.
2. Locate new markets.
3. To comparing current markets of company and its shares.

4. To identify market with viability of sales subsidiary.

Research Design

Secondary data is an important source in the international marketing research. Data about the specific information is regarded as high value in the research. Relevant international trade data of granite import and export from the Indian government and UN trade journals have gathered to analysis the demand of the polished granite in different countries. Data about our company sales and growth also has been analyzed. These granite trade specific data have been compared and analyzed in order to find growth rate of each particular market. These data then are compared on the base of the regional attractiveness.

d. Addition of New Product

Since incorporation, our company has achieved new heights and company's revenues have grown manifold as granite has always been in demand in Indian market as well as foreign market. We have noticed that there is an increasing demand for imported Marble in India. We therefore, intend to commence trading in Marble that will be imported from Turkey, Italy, Spain, Oman, Vietnam, Norway, Brazil and various other parts of world for sale in Indian Market. As the market of Imported Marbles does not eat into the share of Granites & Decorative stones, we can conveniently sale both these products.

Company will sell imported marble from its various retail outlets in Delhi and Haryana from where granite is already being sold. Through the existing network of retail outlets, company will be able to introduce its new product (Imported Marble) to potential customers as well as existing customers.

Agri Commodities Business

We are currently engaged in the business of trading of Agri commodities especially Food Grains & Pulses. This business was commenced in December 2009 with an intention to build a distribution base in Indore which would assist in our future plans of expansion. We intend to set up an Extraction Plant for Edible Oil from Soybean seeds & also manufacture other Soybean Products. The proposed Business Strategy for the Soybean plant has been devised upon as follows:

1. Increase in manufacturing capacities in line with demand

We intend to continue enhancement of our capacities to meet the increasing demand of our products. Our strategy includes establishment of plants at strategic locations and levels, which enables us to procure raw material from the nearby areas and cater to Pan India. In order to ensure that we are in a position to complement demand and to cater to the dynamics of the region, we need to have a strong manufacturing capability with maintained quality.

2. Introducing specialty ingredients and value added products to our products portfolio

We propose to strategically move along the production chain and diversify our product offerings beyond soybean meal and edible oils. We intend to further diversify our product base and include more value added products which yield better margins such as rice bran oil, sunflower oil, etc.

3. Developing a strong distribution network

Our Company has created a base for distribution network by engaging in Trading of Agri Commodities. However, with growing demand and capabilities, we will need to develop a more robust distribution & marketing network in order to reach the retail consumer.

4. Develop a dynamic supply chain

Our Company will procure its raw material through government regulated markets (*Mandi*) and commission agents. Besides, our Company wishes to develop a dynamic supply system such as *Choupals* for procuring the raw material directly from the farmers itself. This will reduce the cost of production and thus improve the margins of profit for our Company.

5. Warehousing and logistics capabilities

We will set up warehousing facility at Indore. The warehouse will be strategically located on the route which leads to the nearby soya producing belt. The warehousing facility will be independent of our private mandi activity. This will indirectly facilitate perennial supply of raw material. As the raw material will be under our physical possession the quality, pilferage and damages are expected to be minimal.

6. Interchangeable Capacities

The Solvent Extraction Plant is a universal unit for extraction of edible oil from various oilseeds. Though, we currently intend to focus on oil extraction from Soybean seeds, in case of unavailability of the same or failure of Soya crop or any other contingency situation, we will be prepared to shift to other oilseeds like castor, mustard, groundnut, etc. This will ensure that the plant is not idle and we are always prepared to atleast recover our fixed costs.

7. Wide consumer reach

We propose to market our products across various States in India and also outside India. We intend to export de-oiled cakes to Far East Asian countries such as Indonesia, Malaysia, Thailand, Vietnam, Korea, Japan & China and to countries which are members of the SAARC organization.

8. Brand Building & Brand Promotion

Since our company is commencing a new business of manufacturing edible oil and other by-products from Soybean seeds through this proposed project, we will need to first build a brand of our own. We will also engage in extensive brand development as brand building will help us create a recall value for our products.

FUTURE CAPACITY UTILISATION

The projections for capacity utilization for existing as well as proposed project for next three years are as under:

Particulars	2011-12	2012-13	2013-14
Granite Processing Plant	50%	50%	50%
Soybean Solvent Extraction Plant	-	100%	100%

Assumptions for capacity utilization:

- The unit will operate for 300 days/year on three (3) shifts/day basis.

INTELLECTUAL PROPERTY

We have applied for the registration of our logo “Jaishree Industries Limited” and await the receipt of registration certificate for the same.

For further details of our intellectual properties, please refer to the chapter titled “Government Approvals” on page no. 142 of this DRHP.

DOMAIN NAME REGISTRATION

We have registered our domain name www.jaishreegranites.com

INSURANCE

We are covered by a standard fire and special perils insurance policy for loss caused to our property or assets by fire or any special perils and a burglary standard policy for loss caused to our registered office by burglary, housebreaking, robbery, hold up and theft.

Notwithstanding our insurance coverage, damage to our facilities, equipment and properties could nevertheless have a material adverse effect on our business, financial condition and results of operations to the extent such occurrences disrupt normal operations of our business or to the extent our insurance policies do not cover our economic loss resulting from such damage. For further information, see section titled “Risk Factors” on page no. xiii

The details of Policies are as given below:

Sr. No.	Policy Details	Name of the Company	Period Covered		Total Amount	Property Details
			From	To		
1.	Standard Fire and Special Perils Policy bearing No. 272900/11/2011/7351	The Oriental Insurance Co. Ltd.	March 01, 2011	February 29, 2012	₹ 50,00,000 Premium: ₹ 8,135	Factory at 1166, S.N. Padu Mandal Pradesam, Ongle Prakashni, A. P.
2.	Standard Fire and Special Perils Policy bearing No. 272900/11/2011/7342	The Oriental Insurance Co. Ltd.	March 01, 2011	February 29, 2012	₹ 500,000 Premium: ₹ 797	Shop(s) at WZ-285/B-1, Sharda Puri, Delhi
3.	Standard Fire and Special Perils Policy bearing No. 272900/11/2011/7344	The Oriental Insurance Co. Ltd.	March 01, 2011	February 29, 2012	₹ 1,900,000 Premium: ₹ 3,028	Shop(s) at D-12, Rajouri Garden, Delhi
4.	Burglary - Standard Policy bearing No. 272900/11/2011/9147	The Oriental Insurance Co. Ltd.	March 01, 2011	February 29, 2012	₹ 80,000,000 Premium: ₹ 22,060	All kinds of Stocks at D-12, Rajouri Garden, Delhi

Key man Insurance Policies:

Sr. No.	Policy Details	Name of the Company	Period Covered		Total Amount	Details of Person Insured
			From	To		
1.	Keyman Insurance Policy bearing No. 15193607	ICICI Prudential Life Insurance Co. Ltd.	March 11, 2011	March 10, 2023	₹ 1,039,000 Premium: ₹ 7,753	Mr. Shyam Sunder Maheshwari
2.	Keyman Insurance Policy bearing No. 15194138	ICICI Prudential Life Insurance Co. Ltd.	March 11, 2011	March 10, 2031	₹ 1,153,000 Premium: ₹ 2,471	Mr. Vaibhav Maheshwari

PROPERTIES

Freehold Property

Our Company owns the following properties:

Sr. No.	Schedule of property and area	Date of Agreement	Seller	Purpose	Purchase Consideration
1.	All that part and parcel of the property bearing plot No. 43, situated at Block No A-1, WHS, Kirti Nagar, New Delhi. The extent of land is 250 Sq. Yards and bounded on the east by road, west by Plot 44, North by S Road and south by road.	Certificate of Sale issued by Indian Bank dated May 17, 2010 (not registered)	Auction sale by Indian Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002	Godown	₹ 20,025,000
2.	All that part and parcel of the property bearing plot No. 44, situated at Block No A-1, WHS, Kirti Nagar, New Delhi. The	Certificate of Sale issued by Indian Bank dated May 17,	Auction sale by Indian Bank under the Securitisation and Reconstruction	Godown	₹ 20,025,000

Sr. No.	Schedule of property and area	Date of Agreement	Seller	Purpose	Purchase Consideration
	extent of land is 250 Sq. Yards and bounded on the east by road, west by Plot 44, North by S Road and south by road.	2010 (not registered)	of Financial Assets and Enforcement of Security Interest Act, 2002		
3.	All that part and parcel of the property bearing plot No. 45, situated at Block No A-1, WHS, Kirti Nagar, New Delhi. The extent of land is 250 Sq. Yards and bounded on the east by road, west by Plot 44, North by S Road and south by road.	Certificate of Sale issued by Indian Bank dated May 17, 2010 (not registered)	Auction sale by Indian Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002	Godown	₹ 20,025,000
4.	All that part and parcel of the property bearing plot No. 46, situated at Block No A-1, WHS, Kirti Nagar, New Delhi. The extent of land is 250 Sq. Yards and bounded on the east by road, west by Plot 44, North by S Road and south by road.	Certificate of Sale issued by Indian Bank dated May 17, 2010 (not registered)	Auction sale by Indian Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002	Godown	₹ 20,025,000
5.	Property at S. No. 1166, Santhanuthlepadu Gram panchayat, Santhanuthlepadu village, Prakassam District, Andhra Pradesh admeasuring 3.60 acres	June 14, 2005	1) Taneeru Rangaiah 2) Taneeru Yadigiri 3) Taneeru Pedda Venkateswarlu 4) Taneeru China Venkateswarlu	100% EOU (Processing Plant)	₹ 1,080,000
6.	Property at S. No. 1166, Santhanuthlepadu Gram panchayat, Santhanuthlepadu village, Prakassam District, Andhra Pradesh admeasuring 0.589 acres	June 14, 2005	Taneeru Pedda Venkateswarlu	100% EOU (Processing Plant)	₹ 176,000
7.	Plot No.3, Survey No.182, Khanapuram Haveli, Gram Panchayat, Khammam Urban, Khammam Zilla, Parishat, Andhra Pradesh admeasuring 241.56 sq. metres	June 17, 2002	Parupalli Nirmala Gorkey	Vacant	₹ 130,200
8.	Plot No.1 & 2, Survey No.182, Khanapuram Haveli, Gram Panchayat, Khammam Urban, Khammam Zilla, Parishat, Andhra Pradesh admeasuring 496.08 sq. metres	June 17, 2002	Adusumilli Usha Rani	Vacant	₹ 450,000
9.	Survey Nos. 282(part), 283(part) and 284(part), Kaikondaigudam Gram Panchayat, Khammam Rural Mandal, Khammam District, Andhra Pradesh admeasuring 1,289.30 sq. Metres	November 22, 2002	Kodirekkala Ramulu	Vacant	₹ 123,400
10.	All that part and parcel of the property bearing plot No. E- 7 & 8, Industrial Area, Phase – 1, Behror, Rajasthan. The extent of land is 8000 Sq. Meters and bounded on the East by other	July 04, 1996*	Rajasthan Financial Corporation	Vacant Land & Industrial Shed	₹ 3,625,000

Sr. No.	Schedule of property and area	Date of Agreement	Seller	Purpose	Purchase Consideration
	property, West by Plot No. 5 & 6, North by Road and South by road.				

* By an Agreement for sale dated October 28, 1995, the property was purchased by Jai Shree Sangmermer Udyog (Proprietary Concern) from Rajasthan Financial Corporation. Subsequently vide Deed of Modification dated July 4, 1996, the property was transferred to and vested in our Company

Leasehold Property

Sr. No.	Name of the Lessor	Premises Leased and area	Term of the Lease	Amount of Rent and Security Deposit	Purpose
1.	<i>Lessor:</i> Shyam Sunder Maheshwari	D-12, Rajouri Garden, New Delhi 110027 admeasuring 189.28 sq. Yards	For a term of 36 months commencing from February 1, 2011 to January 31, 2014	<i>Amount of Rent:</i> ₹ 5,000 per month <i>Security Deposit:</i> NIL	Registered office
2.	<i>Lessor:</i> Shyam Sunder Maheshwari	A-2/53, WHS, Kirti Nagar, New Delhi-110015	For a term of 24 months commencing from December 28, 2010 to December 27, 2012	<i>Amount of Rent:</i> ₹ 4,500 per month <i>Security Deposit:</i> NIL	Godown
3.	<i>Lessor:</i> Mehmood Ali	Plot of land forming part of Khasra No. 76 situated in the revenue estate of village Satbari, Tehsil Hauz Khas, Mehrauli, New Delhi admeasuring approx 1500 sq. Ft.	For a term of 11 months commencing from August 24, 2010 till July 23, 2011.	<i>Amount of Rent:</i> ₹ 9,900 per month <i>Security Deposit:</i> NIL	Sales office
4.	<i>Lessor:</i> Anil Kumar	C-10/A & C-10/B, Mansarovar Garden, New Delhi. admeasuring 2800 sq. feet	For a term of 11 months commencing from August 1, 2010 to June 30, 2011	<i>Amount of Rent:</i> ₹ 70,000 per month <i>Security Deposit:</i> NIL	Godown
5.	<i>Lessor:</i> Desh Raj s/o Ram Swaroop	DLF Marble Market, Sikanderpur, Gurgaon, Haryana	For a term of 11 months commencing from January 7, 2011 to December 6, 2011	<i>Amount of Rent:</i> ₹ 3,500 per month and <i>Monthly Electricity Charges:</i> ₹ 5,000 <i>Security Deposit:</i> NIL	Sales Office
6.	<i>Lessor:</i> Ankita Agarwal	Flat No. 406, Utsav Avenue, 10/1 to 10/5, Ushaganj, Jaora Compounds, Indore – 452001	For a term of 11 months commencing from February 1, 2011 to December 31, 2011	<i>Amount of Rent:</i> ₹ 1,000 per month <i>Security Deposit:</i> NIL	Sales Office (Agri Commodities)
7.	<i>Lessor:</i> Governor of Andhra Pradesh	Survey no. 13/P of Gummampadu village, Pamuru Mandal Prakasam district, Andhra Pradesh	From November 22, 2007 to April 29, 2025	<i>Amount of Rent:</i> ₹ 280,000 per annum <i>Security Deposit:</i> ₹ 280,000	Quarry lease

Our Company confirms that except Mr. Shyam Sunder Maheshwari, from whom 2 properties have been taken on lease by the Company, none of the Lessors / Sellers is related to the Promoters or Directors of the Company in any manner whatsoever.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Our Company is governed by various legislations as applicable to it. Some of the key regulations applicable to our Company are summarized hereunder:

TAX RELATED LEGISLATIONS

Excise Regulations

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

Value Added Tax

The levy of Sales Tax within the state is governed by the VAT Act and Rules of the respective states. VAT has resolved the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

Income Tax Act, 1961

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

Customs Act, 1962

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

Central Sales Tax Act, 1956

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

EMPLOYMENT AND LABOUR LAWS

Factories Act, 1948

The Factories Act, 1948 (“**Factories Act**”) aims at regulating labour employed in factories. A “factory” is defined as “*any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were*

working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lockouts as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

Payment of Wages Act, 1936

The Payment of Wages Act 1936 ("PWA") makes provisions regarding the date by which wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

Payment of Bonus Act, 1965

The Payment of Bonus Act 1965 is applicable to all establishments employing 20 or more employees. The said Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing ₹ 3500/- per month or less. The bonus to be paid to employees getting ₹ 2500/- per month or above upto ₹ 3500/- per month is worked out by taking wages as ₹ 2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

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

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("PGA") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination

of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- (a) on his/her superannuation;
- (b) on his/her retirement or resignation;
- (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The PGA establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway Company; every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months; and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the Central Government may, by notification, specify. Penalties are prescribed for non-compliance with statutory provisions.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Workmen’s Compensation Act, 1923

The Workmen’s Compensation Act, 1923 (“WCA”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/ loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Maternity Benefit Act, 1951

The Maternity Benefit Act, 1951 provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith.

Industrial Disputes Act, 1947

The Industrial Disputes Act 1947 lays down the machinery and procedure for investigation, settlement and resolution of Industrial disputes in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.

Contract Labour (Regulation and Abolition) Act

The Company engages for each of its stores the services of various contractors for various activities including, house keeping security, maintenance, tailoring and valet services. These contractors in turn employ contract labour whose number exceeds twenty in respect of some of the stores. Accordingly, the Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour.

Trade Union Act, 1926

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

Employees' State Insurance Act, 1948 ("ESI Act")

All the establishments to which the ESI Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act requires all the employees of the establishments to which the Act applies to be insured in the manner provided under the Act. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

Shops and Establishment Act

The respective State Governments have the power to make laws on the subject matter. In exercise of these powers, various State Governments have enacted the shops and establishments act which is applicable to the shops and commercial establishments within the respective states as may be specified by the Government. Each state has its own legislation on shops and establishments which lay down inter alia, guidelines for regulating the hours of work, payment of wages, leave holidays, terms of service, overtime and other conditions of work of persons employed in shops, commercial establishments etc. and to discourage the malpractices by employers towards their employees. The Bombay Shops and Establishment Act, 1948 governs the Company as the Company has its registered office in the city of Mumbai.

TRADE RELATED INCENTIVES

EOU Scheme

The EXIM Policy of India provides that units undertaking to export their entire production of goods and services may be set up under the Export Oriented Unit ("EOU") Scheme ("EOU Scheme / Scheme"). The EOU Scheme's main thrust is to boost and attract sector specific exports from all parts of India having huge potential near to raw material source. The Scheme has undergone several changes over a period and the present policy parameter is most liberalised and conducive to the entrepreneur for setting up its Export Oriented Unit. The Scheme covers manufacturing/processing and services. The main objectives of the Scheme is to increase exports, earn foreign exchange to the country, transfer of latest technologies stimulate direct foreign investment and to generate additional employment.

Special Economic Zones Act, 2005

The Government of India has enacted the Special Economic Zone Act, 2005 (the "SEZ Act") for the establishment, development and management of special economic zone (the "SEZs") for the promotion of exports. SEZs may be established under the SEZ Act, either jointly or severally by the Government of India, state government or any other person. On receipt of an application, the SEZ Board may, subject to certain conditions approve the proposal and communicate it to the Government of India. On an area being notified as an SEZ, the Government of India appoints a development commissioner for the said SEZ who is responsible for monitoring and ensuring strict adherence to the legal framework and the day-to-day operations of the SEZ.

The Special Economic Zone Rules, 2006

The Special Economic Zone Rules, 2006 (the “**SEZ Rules**”) have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from the Government of India and state governments for setting up of SEZs and a ‘unit’ in an SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein, with an emphasis on ‘self certification’, and the terms and conditions subject to which entrepreneur and developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

The Special Economic Zones (Amendment) Rules, 2009

The Government of India issued the Special Economic Zones (Amendment) Rules, 2009, vide notification dated February 3, 2009. Pursuant to the amendment, the Government of India has allowed establishment of multi product special economic zones, wherein the units may be set up for manufacture of goods falling in two or more sectors or rendering of services falling in two or more sectors or any combination thereof including trading and warehousing.

The Essential Commodities Act, 1955

The Essential Commodities Act, 1955 (the “EC Act”) was enacted to control the production, supply and distribution of, and trade and commerce, in certain commodities. Definition of essential commodities under the EC Act includes cattle fodder, including oil cakes and other concentrates, foodstuffs, including edible oil-seeds and oils. Under the provisions of the EC Act, the GoI by an order may regulate or prohibit the production, supply and distribution and trade and commerce in essential commodities. An order issued by GoI may provide for, amongst other things, imposition of licenses, permits, controlling the price, prohibiting of sale of essential commodities. Any contravention of the provisions of the EC Act may lead to imprisonment or fine or both.

ENVIRONMENTAL LEGISLATIONS

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“**the Act**”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

Air (Prevention and Control of Pollution) Act, 1981

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

The Environment Protection Act, 1986 (“Environment Protection Act”)

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

apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

INTELLECTUAL PROPOERTY LEGISLATIONS

Trademarks

Trademarks have been defined by TRIPs as any sign, or any combination of signs capable of distinguishing the goods or services of one undertaking from those of other undertakings. Such distinguishing marks constitute subject matter under TRIPs. TRIPs provide that initial registration and each renewal of registration shall be for a term of not less than ten years and the registration shall be renewable indefinitely. Compulsory licensing of trademarks is not permitted. In light of the changes in trade and commercial practices, globalisation of trade, the need for simplification and harmonisation of trademark registration systems etc., the Indian Parliament undertook a comprehensive review of the Trade and Merchandise Marks Act, 1958 and replaced the same with the a new legislation viz. The Trade Marks Act, 1999. This Act makes trademarks law compatible with TRIPs and also harmonises it with international systems and practices.

FOREIGN INVESTMENT

For details in relation to the regulations regarding foreign investment, see section titled “Restrictions on Foreign Ownership of Indian Securities” on page no. 191 of this DRHP.

HISTORY AND CORPORATE STRUCTURE

Our History

Our Company was incorporated as Jaishree Granites Private Limited on January 5, 1996.

One of our Promoter Mr. Shyam Sunder Maheshwari has been associated with Granites Industry since 1988. Mr. Maheshwari commenced business of trading of Granites with a proprietary concern, Jaishree Sangmermer Udyog in the year 1988. Over a period of time with the expansion of customer base, growing demand for polished & processed Granite and to gain advantage of better margins with in-house granite processing, our Promoters started a new venture. Accordingly, Jaishree Granites Private Limited was incorporated on January 5, 1996 under the Companies Act, 1956.

In the year 2003, the registered office of our Company was shifted from the State of Rajasthan to the NCR of Delhi pursuant to CLB order from Northern Region Bench vide C. P. No. 79/17/2002-CLB dated September 18, 2002.

Initially, i.e. from inception till 2005, we were engaged in the trading of Granites & Stones. Our trading activity during that period was limited to domestic customers. In the FY 2005-06, we entered into processing of Granites and started our operations by setting up a processing plant in Ongole, Andhra Pradesh with a capacity of 200,000 Sq. Mtrs. The Utilised Capacity of the unit in 2006 was 14.5% which in the next year was increased to 29%. In the year 2010, we added modernised machinery and our Annual utilised capacity increased to 37%. As per current annualised half year ended production, our unit has a utilised capacity of 45%, processing approximately 100,000 Sq. Mtrs.

For further details regarding the business of our Company, please refer to the chapter “Our Business” on page no. 62 of this DRHP

The name of our Company was changed to Jaishree Industries Private Limited by a special resolution passed on April 9, 2010 and the certificate of Incorporation dated April 20, 2010 pursuant to the name change was obtained from the Registrar of Companies, New Delhi. The status of our Company was changed to a public limited company and the name of our Company was changed to Jaishree Industries Limited by a special resolution passed on May 5, 2010. The fresh certificate of incorporation consequent to the change of name was granted to our Company on May 26, 2010, by the RoC.

Changes in Registered Office of our Company:

Date	From	To
January 02, 2003*	E / 7-8, Industrial Area, Phase -1, Behror, Rajasthan - 301701	A2/53, WHS, Kirti Nagar, New Delhi
May 31, 2010	A2/53, WHS, Kirti Nagar, New Delhi	D-12, Rajouri Garden (Ring Road), New Delhi - 110027

* Change of Registered Office from Rajasthan to NCT of Delhi was confirmed by an order of the CLB, Northern Region Bench vide C. P. No. 79/17/2002-CLB dated September 18, 2002.

The above changes in the location of our registered office were carried out for administrative reasons.

Major Events in Relation to our Company

Year	Events
January 1996	Incorporation of our Company and commencement of Trading
January 2003	Change of Registered Office from Rajasthan to NCT of Delhi
September 2005	Received the 100% EOU Status for the Processing Plant at Ongole
2006	Commencement of Production with a Capacity of 200,000 Sq. Meters per annum
November 2007	Obtained Mining Lease from the Government of Andhra Pradesh
December 2009	Commencement of Trading in Agri Commodities (Food Grains & Pulses)
May 2010	Conversion of our Company to a Public Limited Company
May 2010	Received ISO 9001:2008 Certification from KVQA
May 2010	Received a “SE 2A” rating from NSIC – D&B – SMERA

Year	Events
February 2011	Received “CE” certification from UK Certification & Supervision Limited

Main Objects of our Company

The main objects of our Company as contained in its Memorandum of Association are:

1. To produce, quarry, mine, excavate, cut, hew, crave, draw, crush, saw, dress, finish, polish, set, glaze, grind, process, wash, screen, wax, manufacture, craft, treat, alter, improve, extract from mines, refine, import, export, purchase, sell or otherwise deal in and to act as brokers, agents, stockists, distributors and suppliers of all kinds of granites marbles, marble chips, laterites, lime stones, soap stones, felspar, corundum, quartz, artificial stones, slate stones, kota stones, sand stones, silica stones, building stones and all other kinds of stones.
2. To carry on the business of manufacturing, processing, polishing, cutting, importing, exporting and to otherwise deal in all kinds of tiles made of lime, cement, stone ceramics and to buy, take on lease or under a licence, concession, grant or otherwise acquire mines and mining rights any land or other place and metalliferous land and interest therein and to explore work, export, develop for the purpose of minerals, marbles and granites.
3. To process, machine, grind extract, grow, buy, sell, manufacture, refine, prepare, crush or otherwise deal in all kinds of oil, oil seeds, wheat rice and rice brans and other agricultural products and oleaginous and saponaceous substances and all kinds of by-products or ingredients thereof, ghee from whatever source and method including oil seeds, oil cakes, rice bran and other oil containing medias, de-oiled cakes, de-oiled meals for consumption, balanced food and baby food.
4. To carry on the business of manufacturing and processing animal foods for cattle, fowl, chicken and for all kinds of birds and animals and to import, export, buy, sell or otherwise deal in such products and by-products.

Amendments to our Memorandum of Association

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

Date	Nature of Amendment
August 9, 2002	The initial authorised share capital of ₹ 100,000 divided into 10,000 Equity Shares was increased to ₹ 110,000 divided into 11,000 Equity Shares.
October 10, 2005	The authorized share capital of ₹ 110,000 divided into 10,000 Equity Shares was increased to ₹ 50,00,000 divided into 500,000 Equity Shares.
February 25, 2009	The authorized share capital of ₹ 5,000,000 divided into 500,000 Equity Shares was increased to ₹ 100,000,000 divided into 10,000,000 Equity Shares.
April 9, 2010	Inserting two new objects clauses at No.3 and 4 and amending clause III (A) of the Memorandum of Association
April 20, 2010	The name of our Company was changed to Jaishree Industries Private Limited from Jaishree Granites Private Limited.
May 26, 2010	The status of our Company was changed to a public limited company and the name of our Company was changed to Jaishree Industries Limited and adopted new set of Articles of Association of our Company
September 30, 2010	The authorized share capital of ₹ 100,000,000 divided into 10,000,000 Equity Shares was increased to ₹ 200,000,000 divided into 20,000,000 Equity Shares.

Awards and Recognition

Date	Award
May 2010	Received ISO 9001:2008 Certification from KVQA
May 2010	Received a “SE 2A” rating from NSIC – D&B – SMERA
February 2011	Received “CE” certification from UK Certification & Supervision Limited

Total number of our shareholders

The total number of shareholders is Seven (7).

Holding & Subsidiary companies

Our Company does not have any holding or subsidiary company as on the date of filing of this Draft Red Herring Prospectus.

Shareholders' Agreements

Our Company does not have any Shareholders' Agreements existing as on the date of filing this DRHP.

Material / Other Agreements

Our Company does not have any Material / Other Agreements existing as on the date of filing this DRHP.

Financial or Strategic Partners

Our Company does not have any financial or strategic partners as on the date of filing of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 Directors and no more than 12 Directors. We currently have 6 Directors on our Board.

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, Father's Name, Address, Occupation and Term, and DIN	Qualification	Age	Designation and Status	Other Directorships
Shyam Sunder Maheshwari S/o: Shri Ram Maheshwari Address: C-91A, Mansarover Garden, New Delhi – 110015. Date of appointment as Director: January 8, 1996 Date of appointment as Chairman & Managing Director: June 16, 2010 Term as Managing Director: upto June 15, 2015 Occupation: Business DIN: 00631314	Higher Secondary	47	Chairman, Managing Director, Non-Independent Director	NIL
Asha Devi Maheshwari W/o: Shyam Sunder Maheshwari Address: C-91A, Mansarover Garden, New Delhi – 110015. Date of appointment as Director: January 8, 1996 Term: Liable to retire by rotation Occupation: Service DIN: 00631521	B.Com	44	Non – Executive Director, Non – Independent Director	NIL
Vaibhav Maheshwari S/o: Shyam Sunder Maheshwari Address: C – 91A, Mansarover Garden, New Delhi – 110015. Date of appointment as Director: April 26, 2010 Date of appointment as Whole time Director: November 19, 2010 Term as Whole time Director: Upto November 18, 2015 Occupation: Service DIN: 03011138	Higher Secondary	21	Whole time Director, Non-Independent Director	NIL
Kailash Chand Agrawal S/o: Raghunandan Saran Address: 27, Apoorva Apartment, Plot no. 14, Dwarka, Sector - 5, New Delhi - 110075 Date of appointment as Director: January 7, 2011 Term: Liable to retire by rotation Occupation: Service DIN: 03375361	BE (Mechanical)	45	Independent Director, Non-Executive Director	NIL
Sandeep Bhardwaj alias Sharma S/o: Naresh Kumar Bhardwaj alias Sharma Address: B-10/15, Rajouri Garden, New Delhi – 110027.	B.A. (Part II)	44	Independent Director Non-Executive Director	NIL

Name, Father's Name, Address, Occupation and Term, and DIN	Qualification	Age	Designation and Status	Other Directorships
Date of appointment as Director: July 19, 2010 Term: Liable to retire by rotation Occupation: Service DIN: 03117940				
Sanjay Mantri S/o: Dr. S.N. Mantri Address: FA-347, Block FA, Mansarovar Garden, New Delhi - 110015 Date of appointment as Director: September 1, 2010 Term: Liable to retire by rotation Occupation: Service DIN: 03204945	MBA (Marketing); BE (Mechanical)	37	Independent Director Non-Executive Director	NIL

Notes:

None of the above mentioned Directors are on the RBI list of wilful defaulters as on the date of filing this DRHP.

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

Further, neither our company nor our Promoters, persons forming part of our promoter Group, Directors or persons in control of our company are debarred from accessing the capital market by SEBI.

None of the Promoters, Directors or persons in control of our Company has been involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI.

All the Directors of our Company are Indian nationals. There is no arrangement or understanding with major shareholders, customers, supplier or others, pursuant, to which any of the above mentioned Directors were selected as a director or member of the senior management.

There is no service contract entered into by the directors with the issuer company providing for benefits upon termination of employment.

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Shyam Sunder Maheshwari is one of the Promoters of our Company. He is also our Chairman & Managing Director. He has over 22 years of experience in the business of granites. He started the business of trading marble, granite and decorative stones in 1988 by his proprietary firm, Jaishree Sangmermer Udyog and went on to form another firm, Shyam Exports in 1993 which was involved with export of marble, granite and decorative stones. As the Managing Director of our Company, he is responsible for the overall development, control and various business functions of our Company.

Asha Devi Maheshwari is one of the Promoters of our Company. She is a Non-Executive and Non-Independent Director and holds a Bachelors' degree in Commerce from the D.A.V. College, Beawar, University of Rajasthan. She has over 15 years of experience in sales and marketing. Alongwith Mr. Shyam Sunder Maheshwari, she has been instrumental in setting up the business of our Company. She is responsible for the overall sales and marketing activities of our Company.

Vaibhav Maheshwari is the Whole time Director of our Company. He is pursuing his Masters in Business Administration from IIPM, New Delhi. He is responsible for Human Resource Development (HR) operations of our Company.

Kailash Chand Agrawal is our Non-Executive and Independent Director. He has procured a Bachelors of Engineering (Mechanical) from the MBM Engineering College, Jodhpur University. He has over 19 years of experience in production and project management. He started his career in 1990-1991 in a vansapati and

refined oil plant. Today Mr. Agarwal has 21 years of experience in the refined oil segment including Ruchi Soya Industries (2004-2006) where he successfully completed erection, commissioning and operation of a refined oil plant and ancillary units.

Sandeep Bhardwaj is our Non-Executive and Independent Director. He has a Bachelor of Arts (Part II) from University of Delhi. He has been working as a building contractor since 1990 and has as over 20 years of experience in the building construction industry.

Sanjay Mantri is our Non-Executive and Independent Director. He has over 11 years experience in sales and marketing. He has procured a Masters in Business Administration from MDS University, Ajmer. Mr. Mantri is working with Owens Corning as a Regional Manager, and is responsible for sales and marketing activities for north India region.

RELATIONSHIP BETWEEN DIRECTORS

Shyam Sunder Maheshwari and Asha Devi Maheshwari are related as husband and wife and Vaibhav Maheshwari is their son. Save and except the above, none of our Directors have any family relationships.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per our Articles of Association, none of the Directors are required to hold any Equity Shares in our Company. The Directors' Shareholding as on the date of the DRHP is 7,579,550 Equity Shares of our Company.

Sr. No.	Name of the Director	Number of Shares held	% of Holding (Pre Issue)
1.	Mr. Shyam Sunder Maheshwari	6,788,950	86.65 %
2.	Mrs. Asha Devi Maheshwari	790,500	10.09 %
3.	Mr. Vaibhav Maheshwari	100	Negligible

INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as directors, members, and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this section "Our Management" or the chapter titled "Related Party Transactions" on page no. 121 of this Draft Red Herring Prospectus, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

REMUNERATION OF OUR DIRECTORS

Remuneration paid during the last Financial Year

Name of Director	Remuneration	Sitting Fees	Other Fees	Total
Shyam Sunder Maheshwari	--	--	--	--
Asha Devi Maheshwari	264,000	--	--	264,000

Shyam Sunder Maheshwari, Chairman & Managing Director

Shyam Sunder Maheshwari was appointed as our Chairman & Managing Director pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 for a period of five years with effect from June 16, 2010, pursuant to a resolution of our Board dated June 16, 2010.

The board resolution dated June 16, 2010 and EGM dated July 12, 2010 provides that he will be paid an overall gross remuneration not exceeding ₹ 65,000 per month, inclusive of perquisites and benefits.

Vaibhav Maheshwari, Whole time Director

Vaibhav Maheshwari was appointed as an Additional Director with effect from April 26, 2010 pursuant to a resolution of our Board dated April 26, 2010 and the shareholders at the AGM dated September 30, 2010 confirmed his appointment as Director.

He was appointed as our Whole time Director pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 for a period of five years with effect from November 19, 2010, pursuant to a resolution of our share holders dated November 19, 2010. He is being paid remuneration in his capacity of a Whole time Director of our Company.

The board resolution dated October 25, 2010 and EGM dated November 19, 2010 provides that he will be paid an overall gross remuneration not exceeding ₹ 50,000 per month, inclusive of perquisites and benefits.

TERMS & CONDITIONS OF EMPLOYMENT OF NON-EXECUTIVE DIRECTORS

In addition, our Company will, subject to the provisions of the Companies Act and other applicable laws and regulations, pay each non-executive Director sitting fees to attend meetings of the Board and any committee of the Board. Our Company will also reimburse such Directors for out-of-pocket expenses to attend such meetings and perform their role as a Director. These Directors may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles of Association, the Companies Act and other applicable laws and regulations.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The changes in our Board of Directors in the last three years up to the date of filing this Draft Red Herring Prospectus are as follows:

Name	Date Of Appointment	Date of Cessation	Reason
Vaibhav Maheshwari	April 26, 2010	-	Appointed as Additional Director
Vaibhav Maheshwari	September 30, 2010	-	Appointed as Director
Shyam Sunder Maheshwari	June 16, 2010	-	Appointed as Managing Director
Ghanshyam Sarda	July 19, 2010	-	Appointed as Additional Director
Ghanshyam Sarda	September 30, 2010	-	Appointed as Director
Sandeep Bhardwaj	July 19, 2010	-	Appointed as Additional Director
Sandeep Bhardwaj	September 30, 2010	-	Appointed as Director
Sanjay Mantri	September 01, 2010	-	Appointed as Additional Director
Sanjay Mantri	September 30, 2010	-	Appointed as Director
Vaibhav Maheshwari	November 19, 2010	-	Appointed as Wholetime Director
Ghanshyam Sarda	-	December 2, 2010	Resignation
Kailash Chand Agrawal	January 7, 2011	-	Appointed as Additional Director

BORROWING POWERS OF THE BOARD

Our Articles, subject to the provisions of the Act, authorise our Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at the EGM held on November 19, 2010, our Board has been authorised to borrow any sum or sums of monies in excess of our aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed ₹ 1,000,000,000 (Rupees One Hundred Crores only).

CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Stock Exchanges (“**Listing Agreement**”) with respect to corporate governance will be applicable to us immediately upon the listing of

our Equity Shares with the Stock Exchanges. As of the date of this Draft Red Herring Prospectus, our Company has taken steps to comply with the provisions of Clause 49 of the Listing Agreement, including with respect to the appointment of independent directors, the constitution of the Audit, Remuneration and Shareholders/Investors Grievance committees.

Composition of the Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. There are 6 directors on our Board of which 3 i.e. not less than 50% comprises of Non-Executive and Independent Directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr. No.	Name of the Director	Status
1.	Mr. Shyam Sunder Maheshwari	Managing & Executive Director
2.	Mrs. Asha Devi Maheshwari	Non- Independent and Non-Executive Director
3.	Mr. Vaibhav Maheshwari	Whole-time and Executive Director
4.	Mr. Kailash Chand Agrawal	Independent and Non-Executive Director
5.	Mr. Sandeep Bhardwaj	Independent and Non-Executive Director
6.	Mr. Sanjay Mantri	Independent and Non-Executive Director

The Chairman of the Board is an executive and non-independent director. The Board of Directors comprise 6 directors, of which 3 are independent directors. There are 4 non-executive Directors on the Board. Accordingly, our Company has a majority of independent Directors on the Board.

In accordance with Clause 49 of the Listing Agreement, our Company has constituted the following committees:

I. Audit Committee

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on January 07, 2011.

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of the following Directors:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1.	Mr. Sanjay Mantri	Chairman	Independent
2.	Mr. Kailash Chand Agrawal	Member	Independent
3.	Mr. Shyam Sunder Maheshwari	Member	Non-Independent

Our Company Secretary, Mr. Abhinav Leekha will act as the secretary of the Committee.

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The scope of Audit Committee shall include but shall not be restricted to the following:

1. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditors
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;

- Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
 7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 8. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
 9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 10. 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;
 11. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
 12. Discussion with internal and statutory auditors on any significant findings and follow up there on;
 13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 14. 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;
 15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 16. To review the functioning of the Whistle Blower mechanism, when the same is adopted by the Company and is existing;
 17. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;
 18. The Audit Committee shall mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall enjoy following powers: -

- To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
- To investigate any activity within its terms of reference,
- To seek information from any employ,
- To obtain outside legal or other professional advice,
- To secure attendance of outsiders with reasonable expertise, if considered necessary.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be noted in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

II. Shareholder/Investors Grievance Committee

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on January 07, 2011 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1.	Mrs. Asha Devi Maheshwari	Chairperson	Non-Independent
2.	Mr. Sanjay Mantri	Member	Independent
3.	Mr. Sandeep Bhardwaj	Member	Independent

Our Company Secretary, Mr. Abhinav Leekha will act as the secretary of the Committee.

The terms of reference of our Shareholders' / Investors Grievance Committee are given:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, and transfer of Equity Shares and issue of duplicate/split/consolidated share certificates.
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances; and
7. Ensure proper and timely attendance and redressal of investor queries and grievances.
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
9. To review from time to time the secretarial department.
10. Investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non- receipt of balance sheet etc.;
11. Such other matters as may be from time to time required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

III. Remuneration Committee

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on January 07, 2011.

The terms of reference of Remuneration Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of three independent Directors.

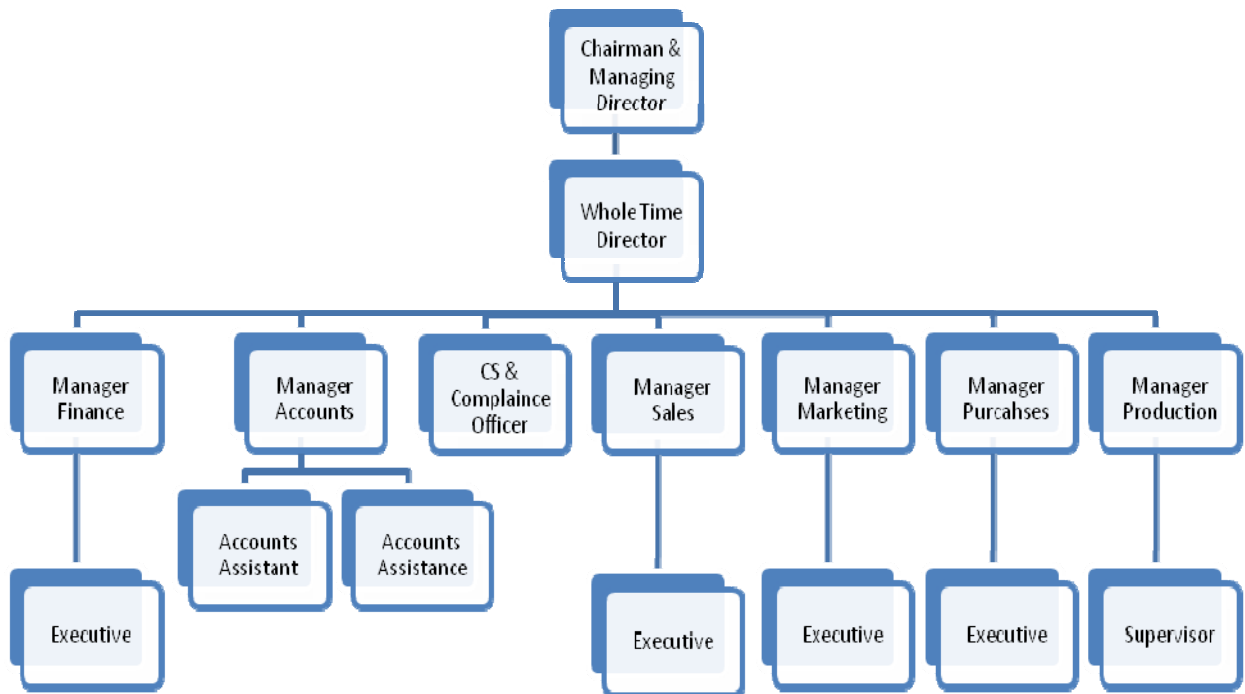
Sr. No.	Name of the Director	Designation	Nature of Directorship
1.	Mr. Sandeep Bhardwaj	Chairman	Independent
2.	Mr. Sanjay Mantri	Member	Independent
3.	Mr. Kailash Chand Agrawal	Member	Independent

Our Company Secretary, Mr. Abhinav Leekha will act as the secretary of the Committee.

The terms of reference of our Remuneration Committee are given below:

1. To decide and approve the terms and conditions for appointment of executive directors and/ or whole time Directors and Remuneration payable to other Directors and matters related thereto.
2. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
4. To implement, supervise and administer any share or stock option scheme of the Company.

Organization Chart



KEY MANAGERIAL PERSONNEL

Our company is managed by Board of Directors, assisted by qualified and experienced professionals in the field of production, finance and marketing. The following key personnel assist the management.

Sr. No.	Name, Designation, Age	Qualification	Experience (Years)	Date of Joining	Compensation for FY 2009-10	Functional Responsibility	Previous Employment
1.	Dharmendra Maheshwari Manager – Purchases 33 Years	B. Com.	5	April 1, 2009	₹ 108,000 p.a.	In charge of overall Purchase activities of our Company	--
2.	Ramesh Sarda Manager – Sales 40 Years	Matriculate	15	June 1, 2010	NIL	In charge of Sales activities of our Company	Shri Nath Marbles & Granites; Jaishree Sangmermer Udyog
3.	Anil Kumar Bharadwaj Manager – Finance 47 Years	B. Com.	20	April 1, 2007	₹ 150,000 p.a.	In charge of Financing activities of our Company	M/s. Durga Carton India; M/s. Digital Controls
4.	Sahdev Dan General Manager – Production 38 Years	Higher Secondary	20	November 01, 2005	₹ 120,000 p.a.	In charge of Production activities of the Ongole unit	Jaishree Sangmermer Udyog
5.	BD Joshi Manager – Accounts 51 Years	B. Com.	30	July 12, 2007	₹ 150,000 p.a.	In charge of Accounting activities of our Company	M/s Industrial Analytical Labs (Key Pharma Limited); M/s Jay Engineering works (Shri Ram Group of Industries); Shamken Multifab Limited
6.	Rakesh Vagerwal Manager – Marketing 42 Years	M. Com.	18	May 2, 2008	₹ 96,000 p.a.	In charge of marketing activities of our Company	Polar Marmo Agglomerates Ltd; The Taj Group of Hotels; Pacific Industries Ltd; Morarjee Brembana Ltd; Wolkem Industries Ltd; Ita Tech Abrasives
7.	Abhinav Leekha Company Secretary & Compliance Officer 33 Years	MBA (Finance); Company Secretary	6	September 1, 2009	₹ 240,000 p.a.	In charge of Secretarial and Compliance	ICICI Bank Home Loans; Kotak Life Insurance; RK Sinha & Associates

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

RELATIONSHIPS BETWEEN KEY MANAGERIAL PERSONNEL

Except as mentioned below, none of the Directors and Key Managerial Personnel are related to each other

- Dharmendra Maheshwari is the cousin brother (maternal) of Shyam Sunder Maheshwari, our Promoter & Managing Director.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as mentioned below, none of the Key Managerial Personnel hold any Equity Shares in our Company

Name of the KMP	No. of Shares	% of Holding (Pre Issue)
Dharmendra Maheshwari	100	Negligible

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company does not have a performance linked bonus or a profit sharing plan for the Key Managerial Personnel.

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options to our employees. Apart from salary and usual perquisites and the employee provident fund scheme, no other benefits have been offered to the officers of the company.

INTEREST OF KEY MANAGERIAL PERSONNEL

Mr. Dharmendra Maheshwari, who holds 100 shares in our Company, may be deemed to be interested in our Company to the extent of dividends or bonus, if any declared on these shares. Apart from that, the Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment & reimbursement of expenses incurred by them during the ordinary course of business and to the extent of equity shares subscribed for and allotted to them out of the present issue.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have neither paid any amount/ given any benefit to any Officer of our Company in a period of two years before the date of the DRHP, nor such amount / benefit intended to be paid or given to any officer as on the date of the DRHP.

CHANGES IN THE KEY MANAGERIAL PERSONNEL

The changes in our Key Managerial Personnel in the last three years up to the date of filing this Draft Red Herring Prospectus are as follows:

Name	Date Of Appointment	Date of Cessation	Reason
Rakesh Vagerwal	May 02, 2008	-	Appointment
Abhinav Leekha	September 01, 2009	-	Appointment
Dharmendra Maheshwari	April 01, 2009	-	Appointment
Ramesh Sarda	June 01, 2010	-	Appointment

OUR PROMOTERS AND PROMOTER GROUP

Details of Promoter being an Individual

1. Mr. Shyam Sunder Maheshwari



Designation	Chairman & Managing Director
Personal Address	C-91A, Mansarover Garden, New Delhi – 110015
Qualification	Higher Secondary
Nationality	Indian
PAN	AAIPM7312H
Voter ID Number	DL/06/065/288611
Driving License Number	P04052005433078 R
Passport Number	J3160497

Shyam Sunder Maheshwari is one of the Promoters of our Company. He is also our Chairman & Managing Director. He has over 22 years of experience in the business of granites. He started the business of trading marble, granite and decorative stones in 1988 by his proprietary firm, Jaishree Sangmermer Udyog and went on to form another firm, Shyam Exports in 1993 which was involved with export of marble, granite and decorative stones. As the Managing Director of our Company, he is responsible for the overall development, control and various business functions of our Company.



Designation	Promoter & Director
Personal Address	C-91A, Mansarover Garden, New Delhi – 110015
Qualification	B.Com.
Nationality	Indian
PAN	ACCPR9347M
Voter ID Number	DL/06/065/288619
Driving License Number	P04052005433077 R
Passport Number	J0936541

Asha Devi Maheshwari is one of the Promoters of our Company. She is a Non-Executive and Non-Independent Director and holds a Bachelors' degree in Commerce from the D.A.V. College, Beawar, University of Rajasthan. She has over 15 years of experience in sales and marketing. Alongwith Mr. Shyam Sunder Maheshwari, she has been instrumental in setting up the business of our Company. She is responsible for the overall sales and marketing activities of our Company.

Our Company undertakes that the details of the Permanent Account Number, Bank Account Numbers, and Passport Number of Mr. Shyam Sunder Maheshwari and Mrs. Asha Devi Maheshwari will be submitted to the stock exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Interests of Promoters and Common Pursuits

Our Company is promoted by Shyam Sunder Maheshwari and Asha Devi Maheshwari. As on the date of filing of this Draft Red Herring Prospectus, Shyam Sunder Maheshwari holds 6,788,950 equity shares in our Company and Asha Devi Maheshwari holds 790,500 equity shares in our Company. The aforementioned Promoters of our Company are interested to the extent of their shareholding in our Company. Additionally, Shyam Sunder Maheshwari and Asha Devi Maheshwari are husband and wife.

The Promoters and Promoter Group companies confirm that they have no interest in any property acquired by our Company during the last two years from the date of filing this Draft Red Herring Prospectus or any property proposed to be acquired by our Company.

Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

For the payments that are made by our Company to certain Promoter Group entities, see the section “Related Party Transactions” beginning on page no. 121 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Further, except as disclosed in this section our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Payment of Benefits to our Promoters

Except as stated in the section titled “Related Party Transactions” on page no. 121 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters.

Confirmations

Further, none of our Promoters has been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them. None of our Promoters, Promoter Group entities or persons in control of our Promoters or bodies corporate forming part of the Promoter Group has been (i) prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

OUR PROMOTER GROUP

In terms of SEBI (ICDR) Regulations, the following immediate relatives form part of our Promoter Group due to their relationship with our promoters, are part of our Promoter Group in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations.

Name of the Person	Relationship with the Promoter	No. of Equity Shares held in our Company	% of Shares held in our Company
Shyam Sunder Maheshwari			
Asha Devi Maheshwari	Wife of Shyam Sunder Maheshwari	7,90,500	10.09%
Vaibhav Maheshwari	Son of Shyam Sunder Maheshwari and Asha Devi Maheshwari	100	Negligible
Utsav Maheshwari	Son of Shyam Sunder Maheshwari and Asha Devi Maheshwari	-	-
Manju Devi Maloo	Sister of Shyam Sunder Maheshwari	-	-
Sunil Maheshwari	Brother of Shyam Sunder Maheshwari	-	-
Shri Ramji Maheshwari	Father of Shyam Sunder Maheshwari	-	-
Radha Devi Maheshwari	Mother of Shyam Sunder Maheshwari	-	-
Asha Devi Maheshwari			
Shyam Sunder Maheshwari	Husband of Asha Devi Maheshwari	67,88,950	86.65
Vaibhav Maheshwari	Son of Shyam Sunder Maheshwari and Asha Devi Maheshwari	100	Negligible
Utsav Maheshwari	Son of Shyam Sunder Maheshwari and Asha Devi Maheshwari	-	-

Prabhu Dayal Chaparwal	Father of Asha Devi Maheshwari	-	-
Kaushalya Devi Chaparwal	Mother of Asha Devi Maheshwari	-	-
Mahesh Chaparwal	Brother of Asha Devi Maheshwari	-	-
Chandrakanta Jaju	Sister of Asha Devi Maheshwari	-	-

PROMOTER GROUP ENTITIES

Entities forming part of our Promoters Group

Sr. No.	Name of the Partnership/Sole Proprietorship Firm
1.	Jai Shree Sangmermer Udyog
2.	Shyam Exports

Listed Companies

None of our Promoter Group companies are at present listed on any stock exchange, or have made any public or rights issues in the preceeding three years.

Partnership Firms/Sole Proprietorships forming part of Promoter Group

1. Jai Shree Sangmermer Udyog (JSSU)

Jai Shree Sangmermer Udyog is the sole proprietary of Shyam Sunder Maheshwari engaged in the business of trading of granite and decorative stone.

Date of Formation	August 3, 1988
Registered Address	285-B, Sharda Puri, Main Ring Road, New Delhi - 110015

Brief Financial Details

The following table sets forth the summary financial data of JSSU:

(₹ in Lakhs)

Particulars	For the year ending March 31,		
	2010	2009	2008
Capital Account	(10.90)	0.31	1.59
Total income	110.00	146.59	199.38
Net Profit/(Loss)	4.24	5.60	3.52

2. M/s. Shyam Exports (SE)

M/s. Shyam Exports is the sole proprietary of Shyam Sunder Maheshwari engaged in the business of trading and export of granite.

Date of Formation	August 19, 1993
Registered Address	285-B, Sharda Puri, Main Ring Road, New Delhi - 110015

Brief Financial Details

The following table sets forth the summary financial data of SE:

(₹ in Lakhs)

Particulars	For the year ending March 31,		
	2010	2009	2008
Capital Account	12.95	16.97	24.22
Total income	100.65	310.60	162.92
Net Profit/(Loss)	1.64	3.97	2.60

3. M/s Randeep Bhardwaj Yamandeep Kumar

M/s Randeep Bhardwaj Yamandeep Kumar is the partnership firm between Randeep Bhardwaj and Shyam Sunder Maheshwari engaged in the business of trading of marble slabs, card boards & packing material etc. However, the firm has not commenced operations as on date.

Mr. Shyam Sunder Maheshwari was admitted as a Partner in the above firm with effect from March 31, 2010 *vide* Supplementary Partnership deed dated April 19, 2010

Date of Formation	February 8, 2005
Date of supplementary Partnership Deed	April 19, 2010
Registered Address	Plot No. G-1/1432, Industrial Area, Rampur Mundana, Distt. Alwar (Rajasthan)

Brief Financial Details

The following table sets forth the summary financial data of M/s Randeep Bhardwaj Yamandeep Kumar
(Rs. in Lakhs)

Particulars	For the year ending March 31,		
	2010	2009	2008
Partner's Capital Account	19.24	16.89	14.17
Total income	Nil	Nil	Nil
Net Profit/(Loss)	Nil	Nil	Nil

Defunct Promoter Group Companies / Entities

There are no defunct Promoter Group Companies / Entities.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any Companies in the last three years.

Details of Companies / firms from which Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company / firm in the last three years.

Related Party transactions with Group Companies

Other than as disclosed in the "Statement of Restated Related Party Transactions" on page no. 121 of the Draft Red Herring Prospectus, there have been no related party transactions with the Promoter Group.

Sale or Purchase between our Company and Group Companies

There have been no transactions of sale or purchase between our Company and the Group Companies amounting to 10% of the total turnover of our Company in the last three years.

For further details on the related party transactions between our Company and the Group Companies, please refer to the "Annexure XII" in the chapter titled "Auditors' Report and Financial Information of our Company" beginning on page no. 121 of the Draft Red Herring Prospectus.

Changes in Accounting Policies in the last three years

Apart from the details mentioned in the paragraph titled "Changes in Accounting Policy" contained in chapter titled "Auditors Report and Financial Information of our Company" beginning on Page no. 105 of the Draft Red Herring Prospectus, there have been no changes in the accounting policies of our Company in the last three years.

CURRENCY OF PRESENTATION

In this DRHP, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten Lakhs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million” and the word “trillion” means “One thousand billion”. Throughout this DRHP, all the figures have been expressed in lakhs of Rupees, except when stated otherwise.

In this DRHP, all references to “Rupees” and “Rs.” and “Indian Rupees” and “₹” are to the legal currency of the Republic of India; all references to “U.S. Dollars” and “US\$” are to legal currency of the United States.

In this Offer Document, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, pursuant to the terms of the term loans obtained by our Company, prior written consent of the lenders of our Company is required to pay any dividends. The Board may also from time to time pay interim dividend. All dividend payments are made in cash to the shareholders of our Company.

We have not declared any dividend on the Equity Shares since inception.

Our dividend policy in the past is not necessarily indicative of our dividend policy or dividend amounts in the future.

SECTION VI: FINANCIAL STATEMENTS

FINANCIAL INFORMATION

REPORT OF THE AUDITORS ON FINANCIAL STATEMENT

The Board of Directors

JAISHREE INDUSTRIES LIMITED

D-12, Rajouri Garden,
(Ring Road), New Delhi – 110027

Dear Sirs,

We have examined the Financial Information of **JAISHREE INDUSTRIES LIMITED** (formerly known as Jaishree Granites Private Limited) [hereinafter referred to as ‘the Company’] contained in the statements annexed to this report, which have been approved by the Board of Directors, proposed to be included in the Draft Red Herring Prospectus in connection with the proposed Initial Public Offer of Equity Shares of the Company.

In terms of the requirement of:

- a. Paragraph B (1) of Part – II of Schedule II to the Companies Act, 1956,
- b. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, issued by SEBI on September 3rd, 2009, in pursuance of Section 11 A (1) (a) of Securities and Exchange Board of India Act (SEBI), 1992, ‘SEBI (ICDR) Regulations’;
- c. The appointment letter dated February 15, 2010, requesting us to issue a report as Statutory Auditors relating to the Draft Red Herring Prospectus being issued by the Company in connection with the Initial Public Offer of Equity Shares of the Company.

Financial Information as per audited financial Statements :

- a. We have examined the accompanied ‘Statement of Adjusted Profits and Losses’ (Annexure – II) for the Five financial years ended on 31st March 2006, 2007, 2008, 2009, 2010 and for the Period ended 30th September 2010 and the ‘Statement of Adjusted Assets and Liabilities’ (Annexure – I) as on those dates, forming Part of the ‘Financial Information’ dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (Annexure – IV & V) thereon, which are the responsibility of the Company’s management, have been extracted from the financial statements for the financial year ended on 31st March 2006, 2007, 2008, 2009, 2010 and for the period ended on 30th September 2010 audited by M/s U. K. Kamath & Associates, Chartered Accountants being the Statutory auditors and the same is re-audited by us for the financial year ended on 31st March 2010 and for the period ended on 30th September 2010, approved by the Board of Directors and adopted by the Members in those respective financial years. We did not carry out any validation tests or review procedures of financial statements for aforesaid financial year audited by M/s U. K. Kamath & Associates, Chartered Accountants and upon which we have placed our reliance while reporting.
- b. Based on the above (a) and also as per the reliance made on the reports submitted by the statutory auditor of the company for the respective years, we report as under:-
 - (i) The statement of Assets and Liabilities, and the Profits and Losses Account of the Company as at the end of each of the five financial years ended on 31st March 2006, 2007, 2008, 2009, 2010 and for the period ended on 30th September 2010, reflect the assets and liabilities and profits and losses extracted from the Balance Sheets and Profit and Loss Accounts for the financial years ended on 31st March 2006, 2007, 2008, 2009, 2010 and for the period ended on 30th September 2010, audited by M/s U. K. Kamath & Associates, Chartered Accountants being the Statutory Auditors of the Company and the same is re-audited by us for the financial year ended on 31st March 2010 and for period ended 30th September 2010, after making such adjustments, regrouping and disclosures as were, in our opinion, appropriate and required to be made in accordance with Clause (b) of paragraph 6.10.2.7 of “the SEBI (ICDR) Regulations.”

- (ii) In our opinion, read with the respective Significant Accounting Policies and subject to/read together with the notes thereon and after making such adjustments, regroupings and disclosures as were, in our opinion, appropriate and required, the financial information referred to above and the other Financial Information herein below, have been prepared in accordance with Part – II of Schedule II of the Companies Act, 1956, and the SEBI (ICDR) Regulations.

Other Financial Information :

We have also examined the following other financial information relating to the Company proposed to be included in the Draft Red Herring Prospectus, extracted from each of the financial years ended on 31st March 2006, 2007, 2008 2009, 2010 and for the period ended 30th September 2010, audited by M/s U. K. Kamath & Associates, Chartered Accountants being the Statutory Auditors of the Company and the same is re-audited by us for the financial year ended on 31st March 2010 and for the period ended on 30th September 2010:

- i) Statement of the Cash Flow of the Company (Annexure – III)
- ii) Details / Analysis of Outstanding Secured & Unsecured Loans taken by the Company (Annexure – VI & VII).
- iii) Statement of Investments (Annexure – VIII)
- iv) Age-wise analysis of Sundry Debtors and details of Loans and Advances (Annexure – IX & X)
- v) Details of Other Income (Annexure – XI)
- vi) Statement of Dividend paid (Annexure – XIV)
- vii) Statement of Contingent Liability (Annexure – XIII)
- viii) Capitalization Statement (Annexure – XV)
- ix) Summary of Accounting Ratios based on adjusted profits relating to the earning per share, net asset value and return on net worth (Annexure – XVI)
- x) Related Party Transactions (Annexure – XII)
- xi) Statement of Segment Reporting (Annexure – XVIII)
- xii) Statement of Tax Shelter (Annexure – XVII)

This report should not in any way be construed to be a re-issuance or re-dating of any of the previous audit reports issued by us or by the other firm of Chartered Accountants, nor should it be construed to be a new opinion on any of the financial statements referred to herein.

Our this report, is being provided solely for the use of Jaishree Industries Limited, for the purpose of its inclusion in the said Draft Red Herring Prospectus (DRHP) in connection with the proposed Initial Public Offer of the Equity Shares of the Company.

This report may not be used or relied upon by or disclosed, referred to or communicated by yourself (in whole or in part) to any third party for any purpose other than the stated use, except with our written consent in each instance and which consent may be given only after full consideration of the circumstances at that time.

For and on behalf of

R. Mahajan & Associates
Chartered Accountants

Akashdeep Chopra
Partner
Membership No. 508817
Firm Registration No. 011348N

Place: Delhi
Date: January 28, 2011

Annexure I
STATEMENT OF ASSETS & LIABILITIES AS RESTATED

(₹ in Lakhs)

Particulars	30 sep. 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Fixed Assets						
Gross Block	1139.02	1133.02	322.88	309.56	303.64	285.08
Less: Depreciation	136.37	124.20	97.83	76.90	58.66	31.84
Net Block (A)	1002.65	1008.82	225.05	232.66	244.98	253.24
Investment (B)	17.19	24.88	52.89	3.71	3.71	3.71
Current Assets, Loans & Advances						
Inventories	636.74	526.44	434.63	239.09	240.18	71.45
Sundry debtors	927.11	421.58	184.76	291.31	200.14	97.49
Cash & Bank Balances	11.02	19.43	6.09	36.50	26.22	17.70
Loans And Advances	464.36	472.73	204.78	106.44	200.18	152.24
Other Current Assets	11.51	13.64	11.99	11.15	7.29	25.91
Total (C)	2050.74	1453.82	842.25	684.49	674.01	364.79
Liabilities and Provisions						
Secured Loans	462.18	505.53	116.86	217.51	257.86	242.55
Unsecured Loans	70.15	14.40	5.61	63.96	87.39	25.50
Deferred Tax Liabilities	1.50	1.60	1.62	1.86	2.20	2.96
Current Liabilities and Provisions	885.09	508.63	202.50	198.76	374.57	268.72
Total (D)	1418.93	1030.16	326.59	482.09	722.02	539.73
Net Worth (A+B+C-D)	1655.15	1457.36	793.60	438.77	200.68	82.01
Represented by:						
Equity Share Capital	783.48	783.48	462.48	8.60	1.10	1.10
Share Application Money	11.00	11.00	0.00	0.00	0.00	0.00
Reserves and Surplus	860.67	662.88	331.12	430.17	199.58	80.91
Less: Miscellaneous Expenditure						
Net Worth	1655.15	1457.36	793.60	438.77	200.68	82.01

Annexure II
STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(₹ in Lakhs)

Particulars	30 sep 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Income						
Sales						
Manufacturing	607.37	1113.38	1020.40	948.45	657.49	321.08
Trading	1888.65	3001.98	278.87	527.64	178.61	152.69
Less: Excise Duty on Sales	0.00	0.00	0.00	0.00	0.00	0.00
Net Sales	2496.02	4115.36	1299.27	1476.09	836.10	473.77
Other income	0.99	24.96	8.58	0.68	2.42	3.90
Forex Fluctuation	0.00	0.00	19.49	22.29	0.00	0.00
Increase/(Decrease) in Inventories	110.45	89.04	189.68	2.70	148.34	44.15
Total Income	2607.46	4229.36	1517.02	1501.76	986.86	521.82
Expenses						
Material Consumed	223.74	424.81	523.33	494.17	404.60	183.03
Purchase (trading)	1954.06	3022.96	383.51	395.74	170.38	85.57
Manufacturing & direct Expenses	101.07	204.38	155.83	203.83	144.51	86.41
Personnel cost	21.57	38.95	30.73	41.62	25.10	13.23
Administrative Expenses	45.07	39.45	16.84	27.00	15.63	23.29
Selling & Distribution expenses	5.65	37.54	49.36	74.00	42.83	39.52
Forex fluctuation	8.77	22.00	0.00	0.00	0.07	3.49
Total Expenses	2359.93	3790.09	1159.60	1236.36	803.12	434.54
Profit Before Interest & Depreciation	247.53	439.27	357.42	265.40	183.74	87.28
Less: Interest Expenses & financial charges	31.48	20.45	26.08	31.29	37.69	6.59
Profit before depreciation	216.05	418.82	331.34	234.11	146.05	80.69
Less: Depreciation	12.17	26.36	20.94	22.27	26.82	2.71
Profit Before Tax & Prior Period Adjustment	203.88	392.46	310.40	211.84	119.23	77.98
Add/(Less): Prior Period Adjustment/ extra ordinary items	(6.30)	(37.18)	0.00	0.00	0.00	0.00
Profit Before Tax after prior period adjustments	197.58	355.28	310.40	211.84	119.23	77.98
Less: Provision for Taxation						
Current Tax	(7.18)	(19.75)	(2.90)	(3.86)	(1.28)	(.38)
Fringe Benefit Tax			(0.63)	(0.19)	0.00	0.00
Deferred Tax Liability/ Assets	0.10	0.02	0.24	0.34	0.76	(0.51)
Excess provision of Income Tax Written Back (2009-10)	6.54	0.00	0.00	0.00	0.00	0.00
Profit After Tax	197.04	335.55	307.11	208.13	118.71	77.09

Annexure III
STATEMENT OF CASH FLOW AS RESTATED

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(Loss) before Taxation & extraordinary items	203.88	392.46	310.40	211.84	119.23	77.98
Adjustments for :						
Depreciation	12.17	26.36	20.94	22.27	26.82	2.71
Interest charged to P&L A/c	31.48	20.45	26.08	31.29	37.69	6.59
Subsidy amortized	0.00	-0.03	-0.03	-0.04	-0.04	-0.05
Net Loss/Profit on sale of Investment	0.10	-23.82	-6.45	0.00	0.00	0.00
Net Loss/Profit on sale of asset	0.00	0.00	0.00	0.00	0.00	-3.56
Operating Profit before Working Capital Changes	247.63	415.42	350.94	265.36	183.70	83.67
Adjustment for:						
Trade & other receivable	-495.03	-506.41	6.77	-1.29	-131.97	-245.91
Inventories	-110.30	-91.81	-195.54	1.09	-168.73	-49.90
Trade payables	375.83	291.38	3.74	-175.81	105.85	212.56
Direct taxes	0.00	-8.75	-2.94	-4.45	-1.28	-0.38
Cash flow from extra ordinary item	-0.07	-37.18	0.00	0.00	0.00	0.00
Net Cash from Operating Activities (A)	16.28	62.65	162.97	85.30	-12.43	0.04
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	-6.00	-810.14	-13.33	-9.96	-18.56	-226.61
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	8.04
Purchase of Investment	0.00	-121.18	-277.41	0.00	0.00	0.00
Dividend Received	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Investment	0.37	173.00	234.68	0.00	0.00	4.59
Net Cash used in Investing Activities (B)	-5.63	-758.32	-56.06	-9.96	-18.56	-212.55
CASH FLOW FROM FINANCING ACTIVITIES.						
Proceeds from Unsecured Loans (Net)	55.75	8.79	-58.35	-23.42	61.89	0.00
Proceeds from Bank borrowings (Net)	-43.34	388.67	-100.65	-40.35	15.31	242.55
Increase in share capital	0.00	321.00	23.88	7.50	0.00	0.00
Subsidy received	0.00	0.00	0.00	15.00	0.00	0.00
Money received towards Share Application money	0.00	11.00	0.00	0.00	0.00	-7.25
Money received towards Security Premium	0.00	0.00	23.88	7.50	0.00	0.00
Interest Paid	-31.48	-20.45	-26.08	-31.29	-37.69	-6.59
Net Cash Receipt/ Used in Financing Activities (C)	-74.82	709.01	-137.32	-65.06	39.51	228.71
Net Increase/ Decrease in Cash & Cash Equivalents (A + B + C)	-8.41	13.34	-30.41	10.28	8.52	14.77
Cash & Cash Equivalents As on beginning of year	19.43	6.09	36.5	26.22	17.7	2.93
Cash & Cash Equivalents As on end of year	11.02	19.43	6.09	36.5	26.22	17.70

Note: Cash Flow is not disclosed in the Audited Financials as per AS – 3 for the FY ended March 2006, 2007, 2008, 2009 & 2010, which has now been duly complied with in the Restated Financial Statements for the period mentioned above.

Annexure IV

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

The financial statements are prepared on historical cost basis. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles. These have also been prepared in accordance with the Applicable Accounting Standard issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles. It requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets

Fixed asset are stated at their Original Cost less depreciation. Cost of acquisition is inclusive of all incidental expenses, if any.

4. Depreciation

- a. Depreciation on fixed assets is provided on Written Down Value method in accordance with schedule XIV of the Companies Act, 1956.
- b. Depreciation on acquisition/purchase of assets made during the year has been provided on pro rata bases according to the period each asset was put to use during the year.

5. Valuation of Inventories:

Stock of Raw Materials, Stores and spare parts are valued at cost; and of those in transit, at port and at Bonded Warehouse related to these items are valued at cost to date.

Goods-in-process is valued at cost.

Stock of Finished goods and semi-finished goods are valued at cost or net realizable value whichever is lower.

Cost has been ascertained on FIFO basis.

6. Revenue Recognition:

Revenue is recognized on accrual basis

Sales

Export Sales of Granite is recognized at Invoice value:

- In case of FOB, CIF/C&F contracts, as per the date of airway bill/bill of lading as the case may be.
- Sale of domestic goods is recognized on dispatches to customers which generally coincide with the transfer of title, significant risk and reward of ownership to customer.

Other Income

- Interest is recognized on time proportionate basis taking into account the amount outstanding and rate applicable.

7. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at the lower of cost or fair value, determined on an individual investment basis.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined, separately in respect of each category of investment.

Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realization of the investments.

8. Extraordinary Items

Company has invested surplus funds into the marketable securities i.e. Shares & Securities and also dealt in Future & Options in the National Stock Exchange.

9. Net Profit or Loss for the period, Prior period items and changes in Accounting Policies

Net Profit or loss for the period and prior period items are shown separately in the Profit & Loss Account.

10. Contingent Liabilities

The company creates provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will require any outflow of resources.

11. Transactions in Foreign Currency

The company creates provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will require any outflow of resources.

12. Employee benefits

- i) Leave encashment benefits are charged to Profit & Loss Account in each year on the basis of actual payment made to employee. There are no rules for carried forward leave.
- ii) No provision has been made for the gratuity payable to the employees since no employee has yet put in the qualifying period of service & the liability for the same will be provided when it becomes due.
- iii) Provident fund : In respect of employees, the Company makes specified monthly contribution towards the employees' provident fund to the provident fund organisation administered by the Central Government.

13. Defined benefit plans

Defined benefit plans of the Company comprise gratuity, provident fund.

14. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

As per AS-15 company does not have any employees with a working tenure of more than 5 years. Therefore, the Company does not provide / pay any other retirement benefits to the employees.

However as and when it will be applicable, the Company shall be provide all other benefits into the statement of Profit & Loss A/c in the respective year.

15. Provident fund

In respect of employees, the Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust administered by the Company. The minimum interest payable by the provident fund trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on respective investments of the trust and the notified interest rate.

16. Segment Reporting

Identification of Segments: Primary Segment

Business Segment:

The Company's operating businesses are organised and managed separately.

According to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of Granite and Trading of Food Grains.

17. Related Party Disclosures:

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

18. Tax

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Deferred Tax

Deferred Tax charge or credit and the corresponding deferred tax liability or asset is recognized using the tax rates that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however on unabsorbed depreciation or carried forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty with convincing evidence of realization of such assets. The Deferred Tax Liability/Asset are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

19. Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders by weighted average number of equity share outstanding during the reporting year.

Annexure V
MAJOR NOTES FORMING PART OF THE ACCOUNTS

1. Managerial Remuneration:

The company was converted from a private limited company to a public limited company w.e.f. 26th May 2010. The appointment of Managing Director was made by the Board of Directors pursuant to Articles w.e.f. 16th June 2010. The remuneration to the Managing Director has been provided in accordance with resolution passed by Shareholders at the EGM of the company held on 12th July 2010 and Director Remuneration has been paid by the company within the limit of the companies' act 1956.

2. Deferred Tax

Deferred Tax is calculated on the Timing Difference between W. D. V. of Fixed Assets as per Companies Act and as per Income Tax Act.

(₹ in Lakhs)

Particulars	30 Sept 2010	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
As Per Company Act	1002.65	1008.82	225.05	232.66	244.98	253.24
As Per Income Tax Act	997.79	1003.65	219.81	226.65	238.44	244.44
Timing Difference	4.87	5.17	5.24	6.01	6.54	8.80
Rate	30.90%	30.90%	30.90%	30.90%	33.66%	33.66%
Closing Bal. of Deferred Tax Liability	1.50	1.60	1.62	1.86	2.20	2.96
Transferred to P & L A/c	-0.10	-0.02	-0.24	-0.34	-0.76	0.51*

* Closing balance of Deferred Tax for the year ended March 2005 is ₹2.45 lakhs

3. Remuneration to Statutory Auditors

(₹ in Lakhs)

Particulars	30 Sept 2010	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
Sale Tax Audit Fees	0.00	0.11	0.00	0.00	0.15	0.15
Audit Fees	0.00	0.33	0.11	0.15	0.20	0.15
Legal Fees	0.33	0.11	0.00	0.00	0.09	0.06
Total	0.33	0.55	0.11	0.15	0.44	0.36

4. In the opinion of Board of Directors, the value of realization of current assets, loans and advances in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

5. Balances of Sundry Debtors, Sundry creditors and loan and advances are subject to confirmation.

6. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.

7. The Company has circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Certain suppliers have provided the information. However from the majority of the suppliers these confirmations are still awaited. On the basis of available information no principal or interest is payable at the period end to any supplier covered under MSMED. Further no interest was payable or paid during the period to any such supplier.

8. Contingent Liability:

It includes Disputed Sales Tax demand in appeal in respect to F.Y. 1996 – 97 amounting to ₹ 549,185 with Deputy Commissioner (Appeals), Rajasthan.

9. Extraordinary Items includes Rs 370997/- being the amount of old unquoted investment written off. & a loss of ₹ 6,559.08 from Futures & Option's transaction in the National Stock Exchange.

10. Details of Employee Benefits as required by the AS – 15 are given below:

(Amt. in ₹)

Particulars	30 Sept 2010	For the Year ended March 31,				
		2010	2009	2008	2007	2006
Employee Contribution	55620	104999	43787	44022	61677	0
Employer Contribution	63082	119086	49663	49930	69951	0
Total Contribution	118702	224085	93450	93952	131628	0

Note: As Per AS-15, in respect of retirement benefits, company deducts the provident fund of the employee @12% and same is deposited into the Central Government A/c. Besides this company also contributed @13.61% as own contribution and same is also deposited into Central Government A/c by charging it into statement of Profit & Loss a/c for the year.

- Provision of tax is made on the taxable profits of the units including Capital Gain on the shares but excludes profit of its 100% Export Oriented Unit of Ongole which during the relevant previous year was on a Tax Holiday.

12. Earnings per Share

Basic Earnings per Share is calculated on Weighted Average number of Equity shares during the year. Further, while calculating Weighted Average number of Equity shares, period up to 30th September has been taken into consideration.

- Previous year figures have been re-grouped and reclassified wherever necessary to confirm to the current year classification.

14. Information regarding Foreign Exchange earnings and expenditure:

Earning in Foreign Exchange	:	₹ 55,441,237.00
Expenditure in Foreign Exchange	:	NIL

15. Installed, Licensed & Production Capacity Details

(Sq. Mtrs. In Lakhs)

Particulars	30 Sept 2010	For the Year Ended March 31,				
		2010	2009	2008	2007	2006
Licensed Capacity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Installed Capacity	2.00	2.00	2.00	2.00	2.00	2.00
Utilised Capacity	0.45*	0.75	0.65	0.74	0.58	0.29
% Utilisation	45.00%	37.5%	32.50%	37.00%	29.00%	14.50%

* Utilization till September 30, 2010 is on half year basis.

NOTES FOR MATERIAL RE-GROUPING

Regrouping Notes for Profit & Loss Account

- In audited financial statements for FY 2006, 2007, 2008, 2009 & 2010 no bifurcation has been done regarding raw material consumed, purchase (trading), increase /decrease in inventory. The same is now shown separately in restated financial statements.
- In audited financial statements for FY 2006, 2007, 2008 & 2009 no bifurcation has been done for expenses but in restated financial statements expenses has been bifurcated under different heads as follows:

Material Consumed

Material consumed has been arrived as - opening stock of raw material, purchase, consumables account, blades & segments, wooden expenses, less the closing stock of raw material.

Manufacturing & Direct Expenses

Manufacturing & Direct Expenses comprises of Breezing expenses, Cartage Octroi & Freight, Chemical & Oils, Machinery Maintenance, Dressing Expenses, Electrical Spares and Maintenance, Wages Expenses, Polishing Expenses, Electricity and Power Expenses, Factory Maintenance, Polishing Abrasives, Packing Expenses, Water Expenses, Block Dressing, Transportation Charges, Oil & Grease, Marker Purchase, Chamfering Expenses, Mining Equipment, Mines Royalty, Tripper Rent, Cutting Charges, Crane Rent.

Personnel Costs

Personnel Costs comprises of Medical Expenses, Salary, Staff Welfare, Tata Mobile Cost, Mobile Expenses, PF Contribution, PF Expenses, Entertainment Expenses, Mess Expenses, & House Rent Allowance.

Administrative expenses

Administrative expenses comprises of Additional Sales Tax, Audit Fees, Computer Maintenance, Conveyance, Diesel Expenses, Donation, Electricity Expenses, Festival / Diwali Expenses, Fax Expenses, House Tax, Inauguration, Insurance, Interest (paid), Legal Expenses, License Fees, Machine Repair, Membership Fees, General & Miscellaneous Expenses, Office Expenses, Petrol and Scooter Expenses, Postage and Telegram, Pooja Expenses, Professional Expenses, Printing and Stationary, Vehicle Repair, Rent, ROC Expenses, Short and Excess, Telephone Expense Car Insurance, Car Expenses, Courier Charges, Rates and Taxes, Property Tax Shop, Service Tax, Panchayat Tax and Professional Tax, Building Repair & Maintenance and Sales Tax Penalty.

Selling and Distribution Expenses

Selling and Distribution expenses comprises of Advertisement, Business Promotion Expenses, Cartage Outward, Commission and Brokerage, Container Charges, Loading Charges, Travelling Expenses, Shipment & Freight, Stonna, Transport Expenses & Transport Expenses.

Interest & Financial Charges

Interest & Financial Charges comprises of Bank Commission and Charges, Bank BL Charges, Term Loan Interest, Bank Interest, Interest on Car Loan, LC Charges, Upfront Fees, Interest Expenses and Interest Paid (VAT).

3. In audited financial statements for FY 2006, 2007, 2008 and 2009 no bifurcation of sale has been made. The same has been bifurcated into trading sales & manufacturing sales in the Restated Financial Statements as per requirements of SEBI (ICDR) Regulations 2009.
4. In audited financial statements for FY 2006, 2007, 2008 and 2009 Interest on Refund, Profit on Sale of Building, Edge Cutting, Cartage Outward, Interest, Discount, Profit from Shares, Short & Excess have been shown separately. The same has now been classified under the head other income in the Restated Financial Statements.
5. In Audited Profit & Loss for FY 2006, 2007, 2008, 2009 & 2010 Deferred Government Grant related to Generator has not been recognized. The same has been incorporated in proportion to depreciation in accordance with AS-12 in Restated Financial Statements.
6. In Audited Financial Statements for FY 2006, Sample Sales shown separately is now grouped under Sales in Restated Financial Statements.
7. In Audited Financial Statements for FY 2006, interdivision transfers amounting ₹ 2,480,493 has been shown as purchase stock transfer & sale stock transfer. The same has been ignored in the Restated Financial Statements as the interdivision transfer is already included in the amount of Purchase & Closing Stock for that period.
8. In Audited Financial Statements for FY 2008 Capital Investment Subsidy received from Government of Andhra Pradesh has been credited in Profit and Loss Statement which is not in compliance with AS-12 issued by ICAI. The same has been rectified and credited under Reserves and Surplus in Restated Financial Statements.
9. In Audited Financial Statements for FY 2009, Legal Expenses, TDS and Mobile Deposit have been charged against Profit & Loss Appropriation. The same have now been rectified & shown under Administrative Expenses in Restated Financial Statements.
10. In FY 2009 company received ₹ 79,160/- as a reimbursement of power cost for 4th quarter of 2005-06 by Government of Andhra Pradesh which was credited in the Profit & Loss. The same has been rectified & classified under Other Income as it is of Revenue Nature.

11. In Audited Profit & Loss for FY 2010 Foreign Exchange Fluctuation was clubbed under Other Income. The same has now been rectified and shown on the face of the Restated Profit & Loss Statement.
12. In Audited Profit & Loss Account for FY 2010, in calculation of Material Consumed, Total Stock Value has been considered. The same has now been rectified and Stock of Raw Material has been considered in place of Total Stock in Restated Financial Statements.
13. In FY 2010, Raw Material Consumed in Restated Financial Statements has been arrived as Opening Stock of Raw Material, Purchase of Raw Material, Blades & Segments *less* Closing Stock of Raw Material.
14. Expenses such as Marker Purchase, Packing expenses, Polishing Abrasives which were considered in Material Consumed in Audited Financial Statements have been rectified and considered under Manufacturing and Direct Expenses in Restated Financial Statements.
15. In FY 2010, Deed Rent (mines) which was shown in Administration & Selling Expenses in Audited Profit & Loss has been classified under Manufacturing & Direct Expenses in Restated Financial Statements.
16. In Audited Financial Statements for FY 2010, Administrative & Selling Expenses has been shown as a single head in Profit & Loss Statement. The same has now been bifurcated under different heads in Restated Financial Statements as follows:

Personnel Cost

Personnel cost comprises of Directors Remuneration, House Rent Allowance, Mobile Expenses, Medical Expenses, Mess Expenses, Provident Fund, Salary, Staff Welfare & Security Guard Expenses.

Administrative expenses

Administrative expenses comprise of Audit Fees, Computer Maintenance, Conveyance, Diesel Expenses, Donation, Documentation Charges Electricity Expenses, Diwali Expenses, Insurance, Legal & Professional Fees, Membership Fees, General & Miscellaneous Expenses, Office Expenses, Petrol and Scooter Expenses, Pooja Expenses, Professional Expenses, Printing and Stationary, Vehicle Repair & Maintenance, Building Repair & Maintenance, Rent, Short and Excess, Sales Tax Penalty, Telephone Expenses, Courier Charges, Rates and Taxes, Panchayat Tax and Professional Tax.

Selling & Distribution Expenses

Selling & Distribution Expenses comprises of Advertisement, Business Promotion Expenses, Commission and Brokerage, Loading Charges, Travelling Expenses, Shipment & Freight & Transport Expenses.

17. In FY 2010, in Audited Financial Statements, Loan Processing Charges has been shown under Administrative & Selling Expenses. The same has now been rectified and shown under Interest & Financial Charges in Restated Financial Statements.

Regrouping Notes for Balance Sheet

1. In Audited Financial Statements for FY 2006, 2007, 2008, 2009 & 2010 no bifurcation has been done in Fixed Assets Schedule regarding Gross Block and Accumulated Depreciation and was considered at WDV. However, the same has now been rectified in Restated Financial Statements according to Schedule VI of the Companies Act.
2. In the audited financial statements for FY 2006, 2007, 2008, 2009 & 2010, an amount of ₹ 143,200/- deposited as stamp duty for Land purchased has been shown as Deposit since FY 2006, which was capitalized during the period ended 30.09.2010. The same has now been rectified and capitalized from FY 2006 in the Restated Financial Statements.
3. In Audited Financial Statements for FY 2006, 2007, 2008 & 2009, Imprest Account, Security Deposit, Advance to Supplier have been shown separately. These have now been clubbed under the head of Loans & Advances in Restated Financial Statements.

4. In Audited Financial Statements, Deferred Tax calculation has not been done strictly in accordance with AS-22. The same has been rectified in Restated Financial Statement and accounted for:

If deferred tax has been calculated by taking difference between WDV as per Companies Act and as per Income Tax Act on all assets including the Ongole unit, then deferred Tax liability as on 31/03/2005 would have been ₹ 244,662, whereas it stood in books at ₹ 360,927. Accordingly, rectification entry amounting ₹ 116,265 has been done in Restated Financial Statements by passing the following entry as on 01-04-2005:

Deferred Tax Liability A/c Dr,
To Closing Balance of Profit and Loss A/c Cr.

Hereafter, revised calculation for Deferred Tax has been done as per AS-22 for all years included in our Restated Financials i.e. 2006, 2007, 2008, 2009, 2010 and 6 Month ended Sept 2010, considering the revised amount of ₹ 244,662 as Deferred Tax Liability as on 31/03/2005.

5. We had not followed AS-29 i.e. we had not disclosed contingent liability in books of accounts in the FYs 2006, 2007, 2008, 2009 & 2010. However, we have disclosed the same in the Audited Financial Statements for the period ending September 30, 2010 and in the Restated Financial Statements.
6. In Audited Financial Statements for FY 2006, 2007 & 2008, Duties & Taxes (Khamam), Legal Expenses, Balance with Branch Division & VAT have been shown separately under Asset side. The same have been classified under Other Current Assets in Restated Financial Statements.
7. In Audited Financial Statements FY 2006, Advance Tax (03-04), CST, T.D.S. (03-04) & T.D.S have been shown under Loan & Advances, now in Restated Financial Statements have been classified under Other Current Assets.
8. In Audited Financial Statements for FY 2006, Deferred Tax Liability was shown under Current Liabilities & Provisions. The same has now been rectified & shown separately in Restated Financial Statements.
9. Company had received Generator Subsidy amounting to ₹ 90,480 in the year 1999 which was shown on liability side separately signifying that AS-12, regarding Government Grants, has not been followed. However, in the Restated Financial Statements, Company has adopted one of the alternative approach laid down under AS-12 i.e. treating government grant as deferred income in proportionate to depreciation attributable to said assets.
Accordingly, if AS-12 had been followed since 1999, then upto March 2005 ₹ 53,644 should have been credited to Profit and Loss A/c. Therefore, in the Restated Financial Statements, Generator Subsidy has been reduced by ₹ 53,644 and the accumulated balance of Profit & Loss A/c has been increased by the same amount. Thereafter, from period ending March 2006, grant amount has been recognized in proportion to depreciation in following years.
10. In Audited Financial Statements for FY 2007, Deferred Tax Assets was shown under Branch & Divisions. The same has now been rectified & shown separately in Restated Financial Statements.
11. In Audited Financial Statements for FY 2007, Balance with Proprietary Concerns - Jaishree Sangmermer Udyog, Delhi (Dr. Balance) & Shyam Exports (Cr. Balance) has been included under the head Branch & Divisions. The same have been classified in Restated Financial Statements under Loans & Advances and Unsecured Loans respectively.
12. In Audited Financial Statements for FY 2008, Balance with Proprietary Concern - Jaishree Sangmermer Udyog, Delhi of ₹ 5,698,847 (Dr. Balance) & ₹ 1,000,000 (Cr. Balance) and with Jaishree Sangmermer Udyog, Khammam of ₹ 212,246 (Dr. Balance) & ₹ 1,987,818 (Cr. Balance) has been shown under Branch & Divisions. These have now been rectified in Restated Financial Statements and Net Balance has been shown under Loans & Advances and Sundry Creditors respectively.
13. In Audited Financial Statements for FY 2009, Deposit Balance of Jaishree Sangmermer Udyog for an amount of ₹ 7,506,540 is been shown under the head of Debtors, The same has now been rectified re-classified under Loans & Advances in the Restated Financials Statements.

14. In Audited Financial Statements for FY 2008, Balance with Proprietary Concern – Shyam Exports of ₹ 603,571 (Dr. Balance) & ₹ 6,100,000 (Cr. Balance) has been shown under Branch & Divisions. These have now been rectified in Restated Financial Statements and Net Balance has been shown under Unsecured Loans.
15. In Audited Financial Statements for FY 2008, Balance Payable to Branch and Divisions has been shown separately under Liabilities side. The same has been classified under Current Liabilities & Provisions in Restated Financial Statements.
16. In Audited Financial Statements for FY 2008 & 2009, Advance given to Employee has been shown under the head Other Current Assets. The same has now been re-classified under Loans & Advances in Restated Financial Statements.
17. In Audited Financial Statements for FY 2009, Balance of Shyam Exports has been shown under the head of Debtors, now re-classified under Loans & Advances in Restated Financials.
18. In Audited Financial Statements for the period ended September 30, 2010, Balance of Shyam Exports and Jaishree Sangmermer Udyog has been shown under the head of Creditor & Advance from customers, now re-classified under unsecured loans in Restated Financials.

Regrouping Notes for Cash Flow

1. AS – 3 has not been strictly complied with in the Audited Financial Statements. However, the same has been rectified and detailed Cash Flow has been provided in the Restated Financial Statements.
2. Net Profit before Tax and extraordinary items includes the amount of deferred revenue in respect of Generator subsidy credited to other income as per Annexure XI.
3. Sundry Debtors, Loans & Advances and Other Current Assets have been re-grouped as Trade & Other Receivables in the Cash Flow for the Restated Financial Statements.
4. Current Liabilities and Provisions have been re-grouped as Trade Creditors in the Cash Flow for the Restated Financial Statements.

Annexure VI

Schedule of Secured loan, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Cash Credit						
State bank of India	0.00	0.00	39.96	58.80	126.53	113.39
State Bank Of India EPC	0.00	0.00	75.72	75.06	0.00	0.00
Punjab National Bank	461.00	502.61	0.00	0.00	0.00	0.00
Total (A)	461.00	502.61	115.68	133.85	126.53	113.39
Term Loan						
State Bank of India	0.00	0.00	0.00	80.90	123.51	129.16
Other Loan						
Car Loan (Cholamandalam DBS Finance Ltd.)	1.19	2.92	0.00	0.00	0.00	0.00
ICICI Loan a/c (car)	0.00	0.00	1.18	2.75	4.83	0.00
IndusInd Bank (Car)	0.00	0.00	0.00	0.00	2.99	0.00
Total (B)	1.19	2.92	1.18	83.65	131.33	129.16
TOTAL (A+B)	462.19	505.53	116.86	217.51	257.86	242.55

Note: For details of Secured Loans please refer to the section Financial Indebtedness on page no. 137 of this Draft Red Herring Prospectus

Annexure VII
Schedule of Unsecured loan, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
From Directors, Share holders & Relatives	14.40	14.40	5.61	8.99	31.50	25.50
Jaishree Sangmermer Udyog	8.25	0.00	0.00	0.00	0.00	0.00
Shyam Exports	47.50	0.00	0.00	54.97	55.89	0.00
Total	70.15	14.40	5.61	63.96	87.39	25.50

The Company has borrowed an amount of ₹ 70.15 Lakhs from Promoter / Promoter Group Entities on the following terms and conditions:

Sr. No.	Terms and Conditions	Particulars
1.	Rate of Interest	Nil
2.	Security	Unsecured
3.	Tenure	Repayable on demand

Annexure VIII
Schedule of Investments, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Long term Investments (at cost/ Book Value)						
Quoted	0.00	0.00	0.00	0.00	0.00	0.00
Unquoted	0.00	3.71	3.71	3.71	3.71	3.71
Total (A)	0.00	3.71	3.71	3.71	3.71	3.71
Short term Investments (at cost/ Book Value)						
Quoted	20.69	21.17	49.18	0.00	0.00	0.00
Unquoted	0.00	0.00	0.00	0.00	0.00	0.00
Total (B)	20.69	21.17	49.18	0.00	0.00	0.00
Of which Companies under the same Management (C)	Nil	Nil	Nil	Nil	Nil	Nil
Total (A+B+C)	20.69	24.88	52.89	3.71	3.71	3.71
Book Value						
Aggregate of Quoted Investment	20.69	21.17	49.18	0.00	0.00	0.00
Aggregate of Unquoted Investment	0.00	3.71	3.71	3.71	3.71	3.71
Total	20.69	24.88	52.89	3.71	3.71	3.71
Market Value						
Aggregate of Quoted Investment	24.65	26.86	47.13	0.00	0.00	0.00
Aggregate of Unquoted Investment	0.00	3.71	3.71	3.71	3.71	3.71
Total	24.65	30.57	50.84	3.71	3.71	3.71

Annexure IX
Schedule of Sundry Debtors, as Restated

(₹ in Lakhs)

Particulars		30 Sept 2010	For the year ended March 31,				
			2010	2009	2008	2007	2006
More than six months	Considered good						
	Receivable from Promoter/ Promoter Group Co.	0.00	0.00	0.00	0.00	0.00	0.00

	Receivable from Others	47.68	59.04	22.99	8.56	12.95	16.81
	Less: Provision	0.00	0.00	0.00	0.00	0.00	0.00
	Total (A)	47.69	59.04	22.99	8.56	12.95	16.81
Less than six months	Considered good						
	Receivable from Promoter/ Promoter Group Co*	0.00	0.00	0.00	0.00	0.00	0.00
	Receivable from Others	879.43	362.54	161.77	282.75	187.19	80.68
	Less: Provision	0.00	0.00	0.00	0.00	0.00	0.00
	Total (B)	879.43	59.05	161.77	282.75	187.19	80.68
	TOTAL (A+B)	927.11	421.58	184.76	291.31	200.14	97.49
*Promoter/ Promoter Group entities consist of							
	Jaishree Sangmarmar Udyog	0.00	0.00	0.00	0.00	0.00	0.00
	Shyam Export	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.00	0.00

Annexure X
Schedule of Loans & Advances, as Restated

(₹ in lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Advances to suppliers	105.78	109.38	101.12	45.18	180.71	122.00
Staff Advances	0.00	0.00	1.00	2.00	0.00	0.27
Imprest account	0.00	0.00	0.00	0.00	0.00	17.00
Security Deposit	358.58	363.35	13.29	12.27	12.97	12.97
Loans & Advances to Promoter / Promoter Group Entities						
JSU Delhi	0.00	0.00	75.06	46.99	6.50	0.00
Shyam Export	0.00	0.00	14.31	0.00	0.00	0.00
	464.36	472.73	204.78	106.44	200.18	152.24

Annexure XI
Schedule of Other Income, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
RECURRING & RELATED						
Discount Received	0.49	0.97	1.21	0.17	0.00	0.00
Short And Excess	0.00	0.14	0.09	0.28	2.10	0.004
NON RECURRING & UNRELATED						
Interest on Refund	0.00	0.00	0.00	0.00	0.00	0.29
Edge Cutting	0.00	0.00	0.00	0.00	0.07	0.00
Profit on Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00	3.56
Profit on Sale of Shares	0.00	23.82	6.45	0.00	0.00	0.00
Subsidy Amortized	0.00	0.03	0.03	0.04	0.04	0.05
Miscellaneous receipt	0.03	0.00	0.00	0.00	0.00	0.00
Cartage Outward	0.00	0.00	0.00	0.00	0.21	0.00
Subsidy received	0.00	0.00	0.79	0.00	0.00	0.00
Interest Income	0.47	0.00	0.01	0.19	0.00	0.00
TOTAL	0.99	24.96	8.58	0.68	2.42	3.90

Annexure XII
Schedule of Related Party Disclosures, as Restated

Enterprises in which Management or Directors have Significant Influence

- a. M/s. Jaishree Sangmermer Udyog
b. M/s. Shyam Exports

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Sales	0.00	0.00	0.00	6.58	13.17	0.00
Purchases	30.31	55.44	41.26	36.41	37.32	0.00
Rent Paid	0.57	1.14	1.02	0.90	0.78	0.00
Salary Paid	0.00	0.00	0.00	0.00	0.00	0.00
Interest Paid	0.00	0.00	0.00	0.00	0.00	0.00
Share App Recd	0.00	0.00	0.00	0.00	0.00	0.00
Loan Taken	65.00	0.00	0.00	0.00	108.10	0.00
Loan Repaid	9.25	0.00	54.97	0.92	98.11	0.00
Loan Given	0.00	0.00	102.40	91.02	6.50	0.00
Loan Refund	0.00	89.37	60.02	50.53	0.00	0.00
Outstanding Pay	0.00	0.00	0.00	0.00	0.00	0.00
Purchases	54.76	63.44	61.61	17.76	29.43	0.00
Loans	55.75	0.00	0.00	54.97	55.89	45.90
Outstanding Received	0.00	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	13.17	0.00
Loans	0.00	0.00	89.37	46.99	6.50	0.00

Key Management Personnel

- i. Mr. Abhinav Leekha(company Secretary)
ii. Mr. Dharmendra Maheshwari (Manager purchase)
iii. Mr. Ramesh Sharda (Manager Sales)
iv. Mr. Anil Kumar Bhardwaj (Manager Finance)
v. Mr. B. D. Joshi (Manager Accounts)
vi. Mr. Sahdev Jain (Manager Production)
vii. Mr. Rakesh Vagerwal (Manager Marketing)

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Salary Paid	6.09	7.64	4.70	4.70	4.70	4.70

Directors

- a. Mr. Shyam Sunder Maheshwari (Managing director)
b. Mrs. Asha Devi Maheshwari (Director)
c. Mr. Vaibhav Maheshwari (Director)
d. Mr. Ghanshyam Sharda (Independent Director) (until December 02, 2010)
e. Mr. Sandeep Maheshwari (Independent Director)
f. Mr. Sanjay Mantri (Independent Director)

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Salary Paid	2.60	2.64	1.80	1.02	1.02	0.00
Share capital	0.00	321.00	453.88	7.50	0.00	0.00
Share Premium	0.00	0.00	23.88	7.50	0.00	0.00
Interest Paid	0.00	0.00	0.00	0.00	0.00	0.00
Loan Taken	0.00	15.20	0.00	0.00	8.89	0.00
Loan Repaid	0.00	6.41	3.38	15.00	0.00	0.00

Note: Related Party relationship in terms of Accounting Standard 18 as given above is pointed out by the management and relied upon by the Auditors.

Annexure XIII
Statement of Contingent Liability, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Sales Tax (pertaining to 1996-97 pending with Deputy Commissioner (Appeals))	5.49	5.49	5.49	5.49	5.49	5.49

Note: We had not followed AS-29 i.e. we had not disclosed contingent liability in books of accounts in the FYs 2006, 2007, 2008, 2009 & 2010. However, we have disclosed the same in the Audited Financial Statements for the period ending September 30, 2010 and in the Restated Financial Statements with retrospective.

Annexure XIV
Statement of Dividend, as Restated

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
On Equity Shares						
Fully Paid up Share Capital	783.48	783.48	462.48	8.60	1.10	1.10
Face Value (₹)	10/-	10/-	10/-	10/-	10/-	10/-
Paid up Value per Share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Dividend	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Corporate dividend tax on above	0.00	0.00	0.00	0.00	0.00	0.00

Annexure XV
Statement of Capitalisation

(₹ in Lakhs)

Particulars	Pre issue (As on 30 sep.2010)	Post Issue*
Borrowings:		
Short term Debts	532.34	●
Long term Debts	0.00	●
Total Debts	532.34	●
Shareholders Funds:		
Share Capital	783.48	●
Share application money	11.00	
Reserves & Surplus	860.67	●
Less: Misc. Expenses not written off	0.00	
Total Shareholders' Funds	1655.15	●
Long term Debt/ Equity ratio	0.00	●
Total Debt / Equity ratio	0.32	●

* Post Issue Shareholders' Funds can be calculated only on the conclusion of book building process.

Annexure XVI
Significant Accounting Ratios

PARTICULARS	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Earnings Per Share (EPS)						
Net Profit After Tax	197.04	335.55	307.11	208.13	118.71	77.09
No. of Equity Shares (Weighted)	7834850	4633645	4390581	2594014	561000	561000
Earnings Per Share (EPS) (Rs)	2.51	7.24	6.99	8.02	21.16	13.74

Net Assets Value (NAV)						
Net Assets	1655.15	1457.36	793.60	438.77	200.68	82.01
Less: Share Application	11.00	11.00	0.00	0.00	0.00	0.00
No. of Equity Share Outstanding	78.35	78.35	46.25	0.86	0.11	0.11
NAV per Share (Rs)	20.98	18.46	17.16	510.20	1824.36	745.55
Return on Net Worth						
PAT	197.04	335.55	307.11	208.13	118.71	77.09
Net Worth	1655.15	1457.36	793.60	438.77	200.68	82.01
Return On Net Worth (%)	11.90%	23.02%	38.69%	47.43%	59.15%	94.00%

The Ratios have been computed as per the following formula:

- Earning per Equity Share: (Adjusted Net Profit after Tax)/ (Weighted Average number of Equity Shares)
- Net Asset Value: (Adjusted Net assets after reduction of Miscellaneous Expenditure not written off)/ (Equity Shares outstanding at the end of year)
- Return on Net Worth: (Adjusted Net Profit after Tax/Adjusted Equity Share holders Fund after reduction of Miscellaneous Expenditure not written off at the end of the year)
- Net Profit, as restated and appearing in the statement of profit and losses has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial statements of the company
- Earnings per share calculations have been done in accordance with Accounting standard- 20 "Earning per share" issued by the Institute of Chartered Accountants of India.

Calculation of Weighted Average Number of Shares during each year

For Period Ended September 2010

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 183
01.04.2010	7834850	183	1433777550	
	7834850		1433777550	7834850

For Year Ended 2009-2010

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 365
01.04.2009	4624850	365	1688070250	
31.03.2010	3210000	1	3210000	
	7834850		1691280250	4633645

For Year Ended 2008-2009

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 365
01.04.2008	86000	365	31390000	
01.04.2008	4300000	365	1569500000	
25.03.2009	238850	7	1671950	
	4624850		1602561950	4390581

For Year Ended 2007-2008

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 365

01.04.2007	11000	365	4015000	
01.04.2007	550000	365	200750000	
01.04.2007	1993151	365	727500115	
19.09.2007	75000	194	14550000	
	2629151		946815115	2594014

For Year Ended 2006-2007

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 365
01.04.2006	11000	365	4015000	
01.04.2006	550000	365	200750000	
	561000		204765000	561000

For Year Ended 2005-2006

Date	No. of shares allotted	No. of Days	Product	No. of shares
	(A)	(B)	(C) = (A) * (B)	(C) / 365
01.04.2005	11000	365	4015000	
01.04.2005	550000	365	200750000	
	561000		204765000	561000

Note: Earning per Share is not disclosed in audited accounts as per AS – 20 for the FY ended March 2006, 2007, 2008 & 2009, which has now been duly complied in the Restated Financial Statements for the above stated period.

**Annexure XVII
Statement of Tax Shelter**

(₹ in Lakhs)

Particulars	30 Sept 2010	For the year ended March 31,				
		2010	2009	2008	2007	2006
Profit/ Loss Before Tax (A)	195.58	355.28	310.40	211.84	119.23	77.98
Tax Rate (B)	30.90%	30.90%	30.90%	30.90%	33.66%	33.66%
Tax thereon at above Rates	60.37	109.78	95.91	65.46	40.13	26.25
Permanent Difference						
Depreciation On Ongole	0.39	0.42	0.62	0.00	0.30	0.00
Donation	-0.23	-0.64	-0.38	0.00	0.00	0.00
Income Exempt from Tax	185.61	328.57	300.58	221.30	111.21	74.20
Disallowance u/s 40 (a) (ia)	-5.33	-11.37	0.00	0.00	0.00	0.00
Loss on investment valuation	0.00	0.00	0.00	0.00	0.00	0.00
Investment w/f	-3.71	0.00	0.00	0.00	0.00	0.00
Subsidy	0.00	0.00	0.00	-15.00	0.00	0.05
Penalty	-1.61	-0.03	-0.08	0.00	0.00	0.00
Total Permanent Difference (C)	175.12	316.95	300.74	206.30	111.51	74.25
Timing Difference						
Depreciation	-0.69	-0.86	-1.40	0.00	-2.57	0.50
Preliminary Exp	0.00	0.00	0.00	0.00	0.00	0.00
Amount Inadmissible u/s 43B	0.00	0.00	0.00	0.00	0.00	0.00
Amount Inadmissible u/s 40(a)	0.00	0.00	0.00	0.00	0.00	0.00
Set off Brought Forward Losses	0.00	0.00	0.00	0.00	0.00	0.00
Loss on sale of investment	-0.10	0.00	0.00	0.00	0.00	0.00
Other Timing Difference	0.00	0.00	-0.75	0.00	0.00	0.00
Total Timing Difference (D)	-0.79	-0.86	-2.15	0.00	-2.57	0.50
Net Adjustments (C+D)	174.33	316.09	298.59	206.30	108.94	74.75

Tax(Saving)/ Burden Thereon	53.87	97.67	92.26	63.75	36.67	25.16
Taxable Income E=A-(C+D)	23.25	39.19	11.81	5.54	10.29	3.23
Net tax liability (E*B)	7.18	12.11	3.65	1.71	3.46	1.09

Annexure XVIII
Statement of Segment Reporting

Primary Reportable Segment: Business Segment

(₹ in Lakhs)

Particulars	Period ended September 30, 2010			Year ended March 31, 2010		
	Granite	FG & P*	Total	Granite	FG & P*	Total
Segment Revenue	1,003.93	1,492.09	2496.02	1,847.80	2,267.57	4,115.37
Segment Results	272.65	6.42	279.07	490.91	19.67	510.57
Less:- Unallocated Expenses	-	-	(44.70)	-	-	(122.62)
Add:- Interest & Other Income	-	-	0.99	-	-	24.96
Less:- Financial Expenses	0.00	0.00	(31.48)	-	-	(20.45)
Add/less: Prior period Exp/ Extraordinary Items			(6.30)	-	-	(37.18)
Profit Before Tax	0.00	0.00	195.58	-	-	355.28
Less:- Provision for Tax	0.00	0.00	0.54	-	-	(19.73)
Profit After Tax	0.00	0.00	197.04	-	-	335.55
Other Information:-						
Segment Assets	2,510.87	542.52	3,053.39	2,425.99	36.65	2,462.64
Unallocated Assets	-	-	20.69	-	-	24.88
Total Assets	-	-	3,074.08	-	-	2,487.52
Segment Liabilities	386.08	539.38	869.70	483.68	10.20	493.88
Unallocated Liabilities	-	-	549.23	-	-	536.27
Total Liabilities	-	-	1418.93	-	-	1030.15
Capital Expenditure	6.00	-	6.00	810.13	-	810.13
Unallocated Capital Expenditure	17.19	-	17.19	24.88	-	24.88
Total Capital Expenditures	23.19	-	23.19	835.01	-	835.01
Depreciation	12.17	-	12.17	26.36	-	26.36
Unallocated Depreciation	-	-	0.00	-	-	0.00
Total Depreciation	12.17	-	12.17	26.36	-	26.36

* FG&P – Food Grains & Pulses

Secondary Reportable Segment: Geographical Segment

The Company sells its products to various customers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segments.

(₹ in Lakhs)

Particulars	Period ended September 30, 2010			Year ended March 31, 2010		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue	1941.61	554.41	2496.02	3224.45	890.91	4115.36
Segment Assets	3053.39	0	3053.39	2462.64	0	2462.64
Capital Expenditure	6.00	0	6.00	810.13	0	810.13

Note: - In Audited Financial Statement for the F.Y. ended on 31st March 2010, Segment reporting has not been made strictly in compliance with Accounting Standard 17 issued by ICAI. Now in Restated Financial Statement same has been restricted.

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

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this DRHP. The following discussion relates to our company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards referred to in section 211(3C) of the Companies Act and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

Business Overview

Our Company, Jaishree Industries Limited (formerly known as Jaishree Granites Private Limited) is currently one of the largest producers of granite tiles and slabs in India with an annual licensed & installed capacity of 200,000 Sq. Meters. The core products of our company are polished granite slabs & tiles. Company manufactures a vast range of granite. It includes more than 80 colours and textures of the granite. Company also manufactures counter tops for export proposes. Other products of company include cobbles and curb stones. Service of company includes packaging and transporting of the product. We intend to expand our product range in this industry by venturing into trading of Imported Marbles.

Our Company is also engaged in the trading of Agri-Commodities (Food Grains & Pulses) since December 2009. Here, we intend to expand our operations by entering into Manufacturing of Refined Oil from Soybean seeds and other Soybean Products.

Granites & Stones

Our Company was incorporated in 1996 in Behror in the State of Rajasthan and is promoted by Mr. Shyamsunder Maheshwari who has 22 years of experience in the field of Granites & Stones. We have set up a processing plant at Ongole (Andhra Pradesh) which has gained the status of 100% Export Oriented Unit and is well equipped with state of art indigenous machinery.

Expansion: New Product

Being in the Indian Granites Business for more than a decade, expansion by introducing Imported Marbles, as a product, will be a great opportunity for our company to expand its market share and also market presence. Our company proposes to import marble from Turkey, Italy, Spain, Oman, Vietnam, Norway, Brazil, and various other parts of the world for sale in Indian Markets. The polished marble will be sold from our company's existing retail outlets.

Agri – Commodities

In December 2009, our Company diversified in the area of trading of Agri Commodities, concentrating on Food Grains & Pulses. The Food Grain industry is characterised by huge number of buyers and sellers with varying quantities of food grains to buy & sell. We procure the food grains & pulses from potential sellers and sell to whole sellers who for demographic and various other reasons cannot reach the sellers directly. Our primary motive for entering into the business of food grains & pulses was to gain exposure in this industry thus creating a base for further expansion in Soybean Extraction in the near future and other Agri-Commodities in the long run.

Proposed Expansion to Soybean Processing

Our Company has planned to expand its Agri Commodities business by entering in the manufacture of Oil from Oil Seeds. This business can be conveniently and economically carried on with the existing activity of our company. The proposed Soybean project aims to manufacture and market Soybean Oil and other Soybean Products to cater potential Indian markets as well as International markets.

Our company proposes to set-up various plant & machinery for carrying out the above activities. These include: -

Solvent Extraction Plant	500 TPD
Refinery	100 TPD
Soya Flour	50 TPD
Nuggets	100 TPD
Lecithin	6TPD
Acid Oil Plant	5 TPD

Significant Developments after September 30, 2010 that may affect our Future Results of Operations

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the DRHP which materially or adversely affect or is likely to affect the manufacturing or profitability of our company, or the value of our assets, or our ability to pay liabilities within next twelve months.

Factors affecting our Result of Operation

Except as otherwise stated in this DRHP and the Risk Factors given in this DRHP on page no. xiii, the following important factors could cause actual results to differ materially from the expectations include, among others:

Production & Revenue Generation

We earn majority of our revenue from manufacture & sale of Granites and through trading of Agri Commodities. Regular & good sales are the only source to create a healthy working of our company.

We use various marketing techniques to keep our up our sales & also to retain customers. Our Company is undertaking various publicity and advertisement activities to create better awareness about products and services and building a brand image. We facilitate individual factory visits for informed & qualified buyers, looking for quality products, so that customers can themselves see the quality & standards that we maintain.

Our ability to successfully implement its strategy and its growth and expansion plans

Our growth plans are considerable and would put significant demands on our management team and other resources. Any delay in implementation of our strategy and growth and expansion plans could impact our Company's roll out schedules and cause cost and time over runs.

Increasing competition in the industry

Our Company faces competition from imported and cheaper products. Also our expansion plan into Soybean Extraction is a lucrative business area with existing as well as future competition. Our Company operates in competitive environment which may force us to reduce the price of the products and it may have an effect on our margins.

Cost of Raw Materials

Our businesses are dependant upon raw materials like Raw Granite Slabs and Soybean seeds. The volatility in prices of these raw materials can have an adverse effect on the profitability of the business. Granite raw materials prices are guided by international factors, whereas Soybean seed prices are dependant on many factors like rain, agricultural output, etc. Increasing prices of these raw materials may affect the margins of our operation.

Unusual or infrequent events or transactions

There have been no unusual or infrequent events or transactions that have taken place.

Industry Risk and Concerns

The domestic Granite industry carries inherent risk in respect of imbalance in supply / demand apart from price sensitivity and demand volatility. Slowdown in the demand for Indian Granites due to the growing market of imported granites from Brazil & China may increase the prevailing supply demand gap in coming years. Besides the above, the current market turmoil, which dented the growth curve of the construction sector and the augmenting trend of real estate prices at may affect the progress of the Granites & Steel industry.

Changes in the foreign exchange control regulations, interest rates and tax laws in India

Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India affects the liquidity of cash in the market which in turn affects the purchasing power of the economy. Any changes in aforesaid regulations may adversely affect our operations.

Any adverse outcome in the legal proceedings in which we are involved

We are involved in certain legal proceedings. In the event that all of the cases are decided against us, they could have a material adverse effect on our results of operations.

Results of Our Operations

Particulars	September 30, 2010	% of total Income	March 31, 2010	% of Total Income	March 31, 2009	% of Total Income	March 31, 2008	% of Total Income	March 31, 2007	% of Total Income
Income										
Sales (Trading)	607.37	24.33%	3,001.98	72.95%	278.87	21.46%	527.64	35.75%	178.61	21.36%
Sales (Manuf.)	1,888.65	75.67%	1,113.38	27.05%	1,020.40	78.54%	948.45	64.25%	657.49	78.64%
Total sale	2,496.02	100.00 %	4,115.36	100.00 %	1,299.27	100.00 %	1,476.09	100.00 %	836.10	100.00 %
Other Income	0.99	0.04%	24.96	0.61%	28.07	2.16%	22.97	1.56%	2.42	0.29%
Inc./(Dec.) in Inventory	110.45	4.43%	89.04	2.16%	189.68	14.60%	2.70	0.18%	148.34	17.74%
Total Income	2,607.46	-	4,229.36	-	1,517.02	-	1,501.76	-	986.86	-
Expenditure										
Materials Consumed	223.74	8.96%	424.81	10.32%	523.33	40.28%	494.17	33.48%	404.60	48.39%
Purchase (Trading)	1,954.06	78.29%	3,022.96	73.46%	383.51	29.52%	395.74	26.81%	170.38	20.38%
Manufacturing expenses	101.07	4.05%	204.38	4.97%	155.83	11.99%	203.83	13.81%	144.51	17.28%
Employees Cost	21.57	0.86%	38.95	0.96%	30.73	2.37%	41.62	2.82%	25.10	3.00%
Administrative Cost	45.07	1.81%	39.45	0.95%	16.84	1.30%	27.00	1.83%	15.63	1.87%
S & D Cost	5.65	0.23%	37.54	0.91%	49.36	3.80%	74.00	5.01%	42.83	5.12%
Forex Fluctuation	8.77	0.35%	22.00	0.53%	0.00	0.00%	0.00	0.00%	0.07	0.01%
Depreciation	12.17	0.49%	26.36	0.64%	20.94	1.61%	22.27	1.51%	26.82	3.21%
Financial Charges	31.48	1.26%	20.45	0.50%	26.08	2.01%	31.29	2.12%	37.69	4.51%
Total Expenditure	2,403.58	96.30%	3,836.90	93.23%	1,206.62	92.87%	1,289.92	87.39%	867.61	103.77 %
Profit for the Period	203.88	8.17%	392.46	9.54%	310.40	23.89%	211.84	14.35%	119.25	14.26%

Add / (Less) : Prior Period Items	(6.30)	0.25%	(37.18)	0.90%	0.00	0.00%	0.00%	0.00%	0.00	0.00%
Profit Before Tax	197.58	7.92%	355.28	8.63%	310.40	23.89%	211.84	14.35%	119.25	14.26%
Add/(Less) :										
Provision For Income Tax (Net)	(0.64)	0.03%	(19.75)	0.48%	(2.90)	0.22%	(3.86)	0.22%	(1.28)	0.15%
Fringe Benefit Tax	-	0.00%	-	0.00%	(0.63)	0.05%	(0.19)	0.01%	0.00	0.00%
Deferred Tax Liability	0.10	0.00%	0.02	0.00%	0.24	0.02%	0.34	0.02%	0.76	0.09%
Profit After Tax	197.04	7.89%	335.55	8.15%	307.11	23.64%	208.13	14.10%	118.71	14.20%

Results for the Half Year ended September 30, 2010

Income

The total income of our company for half year ended September 30, 2010 is ₹ 2,607.46 Lakhs. Turnover of our company during this period was ₹ 2,496.02 Lakhs while Other Income of our company is ₹ 0.99 Lakhs for this period

Expenditure

Total expenditure is (including finance charges, except depreciation) ₹ 2391.41 Lakhs as on half year ended September 30, 2010, which is 95.82% of the Total Sales.

Raw Material Consumed

The Raw Material consumed during the period is ₹ 223.74 Lakhs as on half year ended September 30, 2010, which is 8.96% of the Total Sales.

Purchase (Trading)

The Purchase of trading goods in term of turnover is ₹ 1954.32 Lakhs as on Half year ended September 30, 2010, which is 78.30% of the Total Sales.

Manufacturing Exp

The manufacturing cost to our company is 4.05% of the Turnover at ₹ 101.07 Lakhs as on half year ended September 30, 2010.

Employee Cost

The Employee Cost to our company is ₹ 21.57 Lakhs as on half year ended September 30, 2010, which is 0.86% of the Total Sales.

Administrative cost

The Administrative Cost to our company is 1.81% of the Total Sales at ₹ 45.07 Lakhs as on half year ended September 30, 2010.

Selling and distribution Cost

The Selling and Distribution Cost to our company is ₹ 5.65 Lakhs as on half year ended September 30, 2010, which is 0.23% of the Total Turnover.

Depreciation

Depreciation is ₹ 12.17 Lakhs as on half year ended September 30, 2010, which is 0.49% of the Total Sales of our Company.

Finance Charges

The Financing Charges of our company is ₹ 31.48 Lakhs as on half year ended September 30, 2010, which is 1.26% of the Total Sales.

Profit after Tax (PAT)

Overall PAT of our company as on half year ended September 30, 2010 is ₹ 197.04 constituting 7.89% of the Total Sales.

Secured Loans

The secured loan as at 30.09.2010 is ₹ 462.19 Lakhs. In secured loan our company has availed loan of ₹ 461.00 Lakhs from Punjab National Bank. Further company is also availing car loan from other bank. Outstanding balance as at 30th September, 2010 is ₹ 1.19 Lakhs.

Unsecured Loans

During the period unsecured loan of our company as at ₹ 70.15 Lakhs On 30th September 2010.

Fixed assets

During this period the net fixed assets of our company went up from ₹ 1,133.02 to ₹ 1,139.02 Lakhs due increase in other business assets.

Sundry debtors

Sundry debtors amounted to ₹ 927.11 Lakhs (net of Provision for Doubtful Debts amounting to ₹ NIL) as at September 30, 2010. These debts are considered good and realizable. Debtors are at 37.14% of turnover as on September 30, 2010.

Results for the Financial Year ended March 31, 2010 as compared to the results for the year ended March 31, 2009.

Income

The total income increased by 178.79%, i.e. ₹ 4229.36 Lakhs as on March 31, 2010 compared to ₹ 1517.02 as on March 31, 2009.

Turnover of our Company has increased during this year by 216.75%, which is ₹ 4115.36 Lakhs as on March 31, 2010, compared to ₹ 1299.27 Lakhs on March 31, 2009. Increase in turnover, during the year was due to commencement of trading in Agri Commodities business by our Company.

The Other Income decreased to ₹ 24.96 Lakhs as on March 31, 2010 as compared to ₹ 28.07 Lakhs as on March 31, 2009. This is mainly due to loss on sale of Investment.

Expenditure

Total expenditure is (including finance charges, except depreciation) 92.59% of Turnover, i.e. ₹ 3810.54 Lakhs as on March 31, 2010 compared to ₹ 1185.68 Lakhs as on March 31, 2009. The increase in Total Expenditure was because of the increase in Cost of Material Consumed including Trading Goods in F.Y. 2009-10.

Raw Material Consumed

The Raw Material consumed is ₹ 424.81 Lakhs as on March 31, 2010 constituting 10.32 % of Total Sales, as compared to ₹ 523.33 Lakhs as on March 31, 2009. This was mainly because company increased the volume of trading consequent to commencement of Agri Commodity business.

Purchase (Trading)

The Purchase of Trading goods is 73.46 % of Total Sales, which is ₹ 3022.96 Lakhs as on March 31, 2010 compared to ₹ 383.51 Lakhs as on March 31, 2009. This was mainly because company has increased the volume of trading business of Agri Commodities in F.Y. 2009-10.

Manufacturing Expenses

Percentage of manufacturing cost to our Company is 4.97% of Total Sales, i.e. ₹ 204.38 Lakhs for the year 2009-10 as compared to F.Y. 2008-09 of ₹ 155.83 Lakhs. This is due to increase in turnover of our Company in F.Y. 2009-10.

Employee Cost

Percentage of employee cost to our Company company decreased to 0.96% of Total Sales in FY 2009-10 from 2.37% of Total Sales. In absolute figures, Employee Cost increased to ₹ 38.45 Lakhs for the year 2009-10 as compared to ₹ 30.73 Lakhs in F.Y. 2008-09. This is due to increase in scale of operations of our Company and increase in labour costs in F.Y. 2009-10.

Administrative cost

Percentage of administrative cost to our Company is 0.95%, i.e. ₹ 39.45 Lakhs for the year 2009-10 as compared to ₹ 16.84 Lakhs in F.Y. 2008-09. This is due to increase in scale of operations of our Company in F.Y. 2009-10.

Selling and distribution Cost

Percentage of Selling and distribution Cost to our Company decrease from 3.80% of turnover in FY 2008-09 to 0.91% of turnover in 2010 i.e. ₹ 37.54 Lakhs for the year 2009-10 as compared to ₹ 49.36 Lakhs in F.Y. 2008-09. This is due to increase in turnover of our Company in F.Y. 2009-10.

Depreciation

Depreciation for the year was ₹ 26.36 Lakhs as compared to last year it was ₹ 20.94 Lakhs. This is due to the fact that addition in fixed assets in F.Y. 2009-10.

Finance Charges

During the year financing charges of our Company amounted to ₹ 20.45 Lakhs as compared to last year amount of ₹ 26.08. This was because company repaid high cost funds and availed low cost fund.

Profit after Tax (PAT)

Overall PAT of our Company during the year increased to ₹ 335.55 Lakhs as compared to last year it was ₹ 307.11. This is due to increase in turnover of our Company in F.Y. 2009-10.

Secured Loans

During the year company has applied for working capital limit from Punjab National bank – Delhi of ₹ 500 Lakhs. Outstanding balance as at 31, March, 2010 is ₹ 502.61 Lakhs. This facility is secured by hypothecation of stock and book debts and collaterally secured by equitable mortgaged of property and personal guarantee of directors. Further, during the year company has also repaid ₹ 115.68 Lakhs the working capital facility, which was available from State Bank of India – Ongole. No dues as at March 31, 2010.

Further company is also availing car loan from other bank. Outstanding balance as at 31st March, 2010 is ₹ 2.92 Lakhs.

Unsecured Loans

During the year directors of our Company have injected ₹ 8.79 Lakhs as Unsecured loan as per the planning of expansion of business. Due to this company Unsecured Loans was ₹ 14.40 Lakhs as at 31st March 2010.

Fixed assets

During the year company has incurred and capitalized ₹ 810.14 Lakhs to gross block comprising of ₹ 801.14 Lakhs by acquiring commercial land in Delhi and ₹ 9.00 Lakhs in other business assets. The net Fixed Assets of our Company has increased by addition in Land and other business Assets by ₹ 810.14 Lakhs and decrease due to accumulated Depreciation for the year 2009-10 has increased by ₹ 26.37 Lakhs.

During the year none of the assets have been sold/ disposed of which affects the going concern principal of our Company.

Sundry debtors

Sundry debtors amounted to ₹ 421.58 Lakhs (net of provision for doubtful debts amounting to ₹ NIL) as at March 31, 2010, compared to ₹ 184.76 Lakhs (net of provision for doubtful debts amounting to ₹ NIL) as at March 31, 2009. These debts are considered good and realizable. Debtors are at 10.25% of turnover for the year ended March 31, 2010, compared to 14.22% for the previous year, representing a Days Sales Outstanding (DSO) of 37 days and 75 days for the respective years. This is mainly because our Company reduced the margin percentage as well as credit period to customers.

Results for the Financial Year ended March 31, 2009 as compared to the results for the year ended March 31, 2008.

Income

Turnover of our Company has decreased during this year by 11.98% which is ₹ 1299.27 Lakhs as on March 31st 2009, compared to ₹ 1476.09 Lakhs on March 31st 2008. Decrease in turnover, during the year is due to reduction in Export Sales due to the Global Recession.

The Other Income increased by 2.16% which is ₹ 28.07 Lakhs as on March 31st 2009 compared to ₹ 22.97 Lakhs as on March 31st 2008. This is mainly due to profit on F&O and sale of shares.

Expenditure

Total expenditure is (including finance charges, except depreciation) increased to 91.26% which is ₹ 1185.68 Lakhs as on March 31st 2009 compared to ₹ 1267.65 Lakhs as on March 31st 2008. The increase in total expenditure was on account of the increase of Raw material cost of our Company in F.Y. 2008-09.

Raw Material Consumed

The Raw Material consumed increased to 40.28 % which is ₹ 523.33 Lakhs as on March 31st 2009 compared to ₹ 494.17 Lakhs as on March 31st 2008. There was an overall increase in scale of operations and thus increase in Raw Material cost and production of our Company during the year.

Purchase (Trading)

The Purchase of trading goods is amounting to ₹ 383.51 Lakhs as compared to last year which is ₹ 395.74 Lakhs. Decrease in purchase of trading is mainly due to decrease in company's trading turnover during the year.

Manufacturing Exp

Percentage of manufacturing cost to our Company is decrease to 11.99%, total cost is ₹ 155.83 Lakhs for the year 2008-09 as compared to F.Y. 2007-08 it was 13.81% which is ₹ 203.83 Lakhs. This is due to decrease in the production cost and turnover of our Company during the year.

Employee Cost

Percentage of employee cost to our Company is decrease to 2.37%, total cost is ₹ 30.73 Lakhs for the year 2008-09 as compared to F.Y. 2007-08 it was 2.82% which is ₹ 41.62 Lakhs. This is due to decrease in labour utilization which is in direct correlation to the production capacity in F. Y. 2008-09.

Administrative cost

Percentage of administrative cost to our Company is decrease to 1.30% which is ₹16.84 Lakhs for the year 2008-09 as compared to F.Y. 2007-08 it was 1.83% which is ₹ 27.00 Lakhs. During the year, company saved the administrative costs due to slow down.

Selling and distribution Cost

Percentage of Selling and distribution Cost to our Company is decrease to 3.80% which is ₹ 49.36 Lakhs for the year 2008-09 as compared to F.Y. 2007-08 it was 5.01% which is ₹ 74.00 Lakhs. During the year company saved on the marketing cost due to decreasing trend of Sales.

Depreciation

Depreciation for the year was ₹ 20.94 Lakhs as compared to last year it was ₹ 22.27 Lakhs. This is due to the depreciation charged by our Company on W. D. V. method

Finance Charges

During the year financing charges of our Company decreased to ₹ 26.08 Lakhs as compared to last year it was ₹ 31.29. This was due to repayment of term loans in full during the year.

Profit after Tax (PAT)

Overall PAT of our Company during the year is increased to ₹ 307.11 Lakhs as compared to last year PAT of ₹ 208.13 Lakhs. This is mainly due to reduction in overall expenditure during the year.

Secured Loans

During the year company has repaid term loan in full to state Bank of India – Ongole and repaid the EMI of car loan due to this secured loan is down amounting to ₹ 100.65 Lakhs as compared to last year it was ₹ 217.51 Lakhs.

Unsecured Loans

During the year company has repaid loan taken from directors, relatives and sister concern amounting to ₹ 58.35 Lakhs due to this unsecured Loans down during the year to ₹ 5.61 Lakhs as compared to last year.

Fixed assets

Gross Block of our Company is increased amounting to ₹ 13.32 Lakhs which is total ₹ 322.88 Lakhs as compared to last year where it was ₹ 309.56 Lakhs. During the year company has incurred and capitalized ₹ 13.32 Lakhs to gross block by purchasing of Plant & Machinery and other Business assets.

Sundry debtors

Sundry debtors amounted to ₹ 184.76 Lakhs (net of Provision for Doubtful Debts amounting to ₹ NIL) as at March 31, 2009, compared to ₹ 291.31 Lakhs (net of Provision for Doubtful Debts amounting to ₹ NIL) as at March 31, 2008. These debts are considered good and realizable. Debtors are at 14.22% of turnover for the year ended March 31, 2009, compared to 19.74% for the previous year, representing a Days Sales Outstanding (DSO) of 72 days and 72 days for the respective years.

Results for the Financial Year ended March 31, 2008 as compared to the results for the year ended March 31, 2007.

Income

Turnover of our Company has increased during this year by 76.55% i.e. from ₹ 836.10 Lakhs on March 31st 2007 to ₹ 1476.09 Lakhs as on March 31st 2008. This is due to better export sales in various new countries.

The Other Income & Forex Fluctuation increased to ₹ 22.97 Lakhs as on March 31st 2008 compared to ₹ 2.42 Lakhs as on March 31st 2007. This is mainly due to profit on Forex Fluctuation.

Expenditure

Total expenditure is (including finance charges, except depreciation) decreased to 85.88% of sale. The total Expenditure was ₹ 1267.65 Lakhs as on March 31st 2008, as compared to ₹ 840.79 Lakhs as on March 31st 2007. The decrease in Total Expenditure 'percentage' is due to increase in sale during the year ended on March 31, 2008.

Raw Material Consumed

The percentage Raw Material consumption decreased to 33.48 % which was ₹ 494.17 Lakhs as on March 31st 2008 as compared to ₹ 404.60 Lakhs as on March 31st 2007. This was mainly increase in trading turnover of our Company during the year.

Purchase (Trading)

The Purchase of Trading goods in term of turnover is increased to 26.81 % which is ₹ 395.74 Lakhs as on March, 31st 2008 compared to ₹ 170.38 Lakhs as on March, 31st 2007. This was mainly because company has increased the volume of trading business by export to various new countries.

Manufacturing Expenses

Though Percentage of manufacturing cost to Sales decreased to 13.81% in the year 2008 from 17.28 % in year 2007, the overall expenses increased from ₹ 144.51 Lakhs in F.Y. 2006-07 to ₹ 203.83 Lakhs in FY 2007-08. Despite increase in expenses due to increase in scale of operations, the percentage to turnover has declined due to better Sales figures.

Employee Cost

Percentage of employee cost to Sales decreased to 2.82% in 2008 from 3.00% in 2007. However, the total cost increased from ₹ 25.10 Lakhs in 2006-07 to ₹ 41.62 Lakhs in 2007-08 due to increase in work force to cater to the growing business.

Administrative cost

Percentage of administrative cost to Sales decreased to 1.83% in 2008 from 1.87% in 2007. However, the total cost increased from ₹ 15.63 Lakhs in 2006-07 to ₹ 27.00 Lakhs in 2007-08 due to increase in scale of operations and business as a whole.

Selling and distribution Cost

Percentage of Cost to our Company is decrease to 5.01% which is ₹ 74.00 Lakhs for the year 2007-08 as compared to F.Y. 2006-07 it was 5.12% which is ₹ 42.81 Lakhs. This is due to increase in total turnover of our Company in f.y.2007-08.

Percentage of Selling and Distribution Cost to Sales decreased to 5.01% in 2008 from 5.12% in 2007. However, the total cost increased from ₹ 42.81 Lakhs in 2006-07 to ₹ 74.00 Lakhs in 2007-08 as growing business demanded a higher need for selling expenses.

Depreciation

Depreciation for the year 2008 was ₹ 22.27 Lakhs as compared to ₹ 26.82 Lakhs last year. This is mainly due to depreciation charged by our Company on W.D.V. method.

Finance Charges

During the year 2008 financing charges of our Company is decreased to ₹ 31.29 Lakhs as compared to ₹ 37.69 last year. This was due to company had reduced/paid back Bank borrowings during the year.

Profit after Tax (PAT)

Overall PAT of our Company during the year 2008 increased to ₹ 208.13 Lakhs as compared to ₹ 118.71 Lakhs last year. PAT in the year 2008 was recorded at 14.1% of the Total Sales which is close to 2007 PAT of 14.2% of Sales.

Secured Loans

During the year company has repaid to Bank borrowing - CC A/c, Term Loan & EMI of Car Loan. Due to this secured loan has reduced by an amount of ₹ 40.35 Lakhs to ₹ 217.51 as compared to ₹ 257.86 Lakhs last year.

Unsecured Loans

During the year company has repaid loan taken from directors, relatives and sister concern amounting to ₹ 23.43 Lakhs. Thus Unsecured Loans reduced to ₹ 63.96 Lakhs in FY 2008 from ₹ 87.39 in FY 2007

Fixed assets

Gross Block of our Company is ₹ 309.56 Lakhs as compared to last year's ₹ 303.64 Lakhs. The increase was because company had incurred and capitalized ₹ 5.92 Lakhs to gross block by purchasing of Business assets during the year.

Sundry debtors

Sundry debtors amounted to ₹ 291.31 Lakhs (net of Provision for Doubtful Debts amounting to ₹ NIL) as at March 31, 2008, compared to ₹ 200.14 Lakhs (net of Provision for Doubtful Debts amounting to ₹ NIL) as at March 31, 2007. These debts are considered good and realizable. Debtors are at 19.74% of turnover for the year ended March 31, 2008, compared to 23.94% for the previous year, representing a Days Sales Outstanding (DSO) of 71 days and 88 days for the respective years. Increase in debtors' amount is due to increase in sales of our Company during the year.

Information required as per Schedule VIII Part A (IX) (E) (5) of the SEBI ICDR Regulations

(a) Unusual or infrequent events or transactions

Other than as stated in the DRHP, there have been no unusual or infrequent transactions that have taken place during the last three years.

(b) Significant economic changes that materially affected or are likely to affect income from continuing operations

Any slowdown in the growth of Indian Economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

(c) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations

To our knowledge there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

(d) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in this section and the sections titled "Risk Factors", "Our Business" on page nos. xiii and 62 respectively, to our knowledge, there are no known factors which will materially impact the future changes in relationship between our costs and revenues.

- (e) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**
The increase or decrease in revenue is by and large linked to increases in sales prices or volume of business.
- (f) Total turnover of each major Industry segment in which our Company operated**
Relevant published data, as available, for the industry turnover has been included in the section entitled “Industry Overview” beginning on page no. 46
- (g) Status of any publicly announced new products or business segment**
Our Company has no plans to introduce new products or new business segments except those, if any, mentioned in this DRHP.
- (h) The extent to which the business is seasonal**
There is no seasonality in our business segments.
- (i) Competitive Condition**
We face competition from well-established players and unorganised sector.

FINANCIAL INDEBTEDNESS

Set forth below is a summary of the aggregate borrowings of our Company as of September 30, 2010:

Nature of Borrowing	Amount (in ₹)
Secured borrowings	462.19 Lakhs
Unsecured borrowings	70.15 Lakhs

Set forth below is a summary of the secured borrowings and guarantees of our Company as of February 28, 2011:

Name of the Lender	Facility / Loan Documentation	Amount Sanctioned	Amount Outstanding as on 30 September 2010	Interest Rate	Repayment Schedule / Validity	Security
Punjab National Bank ("Bank")	1. Sanction letter dated February 8, 2010, as amended by Sanction letter dated February 17, 2011	Cash credit facility – limit of ₹ 1,000 Lakhs	₹ 462.19 Lakhs	Base Rate plus 4% - 0.5% i.e. 12.50% Penal interest at the rate of 2%	On Demand	Various raw materials viz. manufacturing material, raw materials including excisable raw materials, stock in process, semi finished goods, finished goods (including bought out finished goods) viz entire stock of marble/ granites, stock in trade and other investments etc. – Margin 30% and book debts outstanding decrees money receivables, govt. subsidies, claims bill contracts and investments – margin 40%
	2. Hypothecation of Goods and book debts to secure cash credit facility dated February 13, 2010					
	3. Letter dated August 26, 2010 (Modification of Interest Rate)					
	1. Hypothecation of moveable assets forming part of fixed/ block assets dated February 13, 2010					Hypothecation of all moveable assets forming part of fixed/ block assets Guaranteed by Shyam Sunder Maheshwari and Asha Devi Maheshwari
	2. Agreement for hypothecation of current assets dated February 13, 2010					All current assets of the company including stocks, inventories, receivables and other current assets (both existing and future)
	3. Letter dated May 13, 2010					Equitable mortgage created by deposit of title deeds on May 12, 2010 for property being Property at S. No. 1166, admeasuring 4.18 acres at Santhanuthle Padu Village, Prakassam District together with all present and future infrastructures thereon. Equitable mortgage of D-12, Rajouri Garden, main

Name of the Lender	Facility / Loan Documentation	Amount Sanctioned	Amount Outstanding as on 30 September 2010	Interest Rate	Repayment Schedule / Validity	Security
						Ring road, New Delhi - 110027, building property, basement, ground and first floor (owned by Shyam Sunder Maheshwari) Equitable mortgage of WZ-285/B-1, Sharda garden, New Delhi 110015 (owned by Shyam Sunder Maheshwari) Equitable mortgage of D-201, Mansarover garden, New Delhi 110015 (owned by Shyam Sunder Maheshwari)

Negative covenants:

1. The Company shall not undertake expansion/ diversification/ modernisation without obtaining prior permission of the Bank and without proper tie-up of funds. Similarly, no investment shall be made in associate/ allied/ group concerns without prior Bank permission;
2. The Company to undertake that the unsecured long term loans from friends and relatives shall not be allowed to be withdrawn during the currency of the Bank loan. Monies brought in by principal shareholders/ directors/ proprietor will not be allowed to be withdrawn without the Bank's permission. The said loans/ unsecured loans shall be sub ordinate to the Bank's loan.
3. During the currency of the Bank's credit facilities, the company shall not without the prior approval of the Bank in writing: a) effect any change in the capital structure; b) undertake any new project or expansion or modernisation schemes or make any capital expenditure other than those estimated/ projected in the CMA data, without obtaining the Bank's prior consent; c) enter into borrowing arrangements either on secured or unsecured basis with any other bank, financial institution, borrow or otherwise save and except the working capital facilities granted/ to be granted by other member banks, under consortium arrangement with the Bank and the term loans to be obtained from financial institutions; d) permit any transfer of controlling interest or make any drastic change in the management set up; e) Formulate any scheme of amalgamation or reconstruction.
4. The Bank shall have the right to withdraw/modify all/any terms and conditions of sanction/stipulation or may add any condition/stipulation under intimation to the Company and the Company shall undertake to accept these stipulations.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, its Promoters or Directors.

1. LITIGATION INVOLVING OUR COMPANY

1.1 Litigation against our Company

Sales Tax

1. The Company filed an appeal against the Commercial Tax Officer, Returns, Rajasthan, before the Deputy Commissioner (Appeals), Commercial Tax Department, Bhiwadi bearing Appeal No. 1271/2000-01/CST/Dy.Com/Appeals/alwar-II/Bhiwadi ("Appeal"). Vide an Order dated November 6, 2000, the Commercial Tax Officer carried out an assessment of the Company for the year 1996-97 and assessed that the Company was liable to pay tax to the tune of ₹ 218,862/- alongwith ₹ 161,353/- as interest thereon and an amount of ₹ 161,353/- as penalty thereon, totalling to ₹ 549,165/- ("order"). The Company filed the Appeal on December 29, 2000 against the Order dated November 6, 2000. The Deputy Commissioner (Appeals), Commercial Tax Department, Bhiwadi vide its Order (*Ex-parte*) dated March 26, 2010, dismissed the Appeal of the Company as no one appeared on behalf of the Company, pursuant to which the Company made an application for restoration of the Appeal on October 28, 2010. The Commercial Tax Officer, vide its letter dated February 15, 2011, agreed to restore the Appeal, subject to the Company depositing 10% of the tax liability, which the Company has deposited. The Appeal is now pending hearing and final disposal and shall come up for hearing in due course of time.

1.2 Litigation by our Company

NIL

2. LITIGATION INVOLVING OUR PROMOTERS

2.1 Litigation against our Promoters

Shyam Sunder Maheshwari

Please see Litigation titled 'Litigation against Promoter Group' on page no. 140 of this DRHP.

2.2 Litigations initiated by our Promoters

Shyam Sunder Maheshwari

Please see Litigation titled 'Litigation against Promoter Group' on page no. 140 of this DRHP.

Asha Devi Maheshwari

1. Asha Devi Maheshwari filed a suit bearing no. 254/2007 in the Court of the District Judge, Delhi against Bhupinder Singh Bawa ("Defendant"), alleging that the Defendant illegally and without her consent or the consent of her predecessor in interest, was using the open space admeasuring 52.61 sq. Mtrs by placing marble slabs and other articles and has also encroached upon the room therein. Asha Devi Maheshwari has filed the present suit praying for (1) a decree of possession in her favour and against the Defendant in respect of the open space and room described therein on the property bearing no. C-19, Shardapuri, Ring Road, New Delhi; (2) a decree of injunction in her favour and restraining the Defendant, his agents, employees and representatives from

alienating the suit property or creating third party interest in the suit property; (3) for a sum of ₹ 7,92,000 being damages for period from October 1, 2004 to September 30, 2007 for wrongful use and occupation by the Defendant; (4) for future damages and mesne profits as may be assessed by the Court, after the appointment of the Local Commissioner along with interest @ 18% per annum from the date of filing the suit till realisation; (5) costs; (6) any other and further relief. The next date of hearing is April 7, 2011.

2. Asha Devi Maheshwari filed an eviction petition bearing no. 302/08 before the Rent Controller, Delhi against Bhupinder Singh Bawa ("Respondent"), praying for the eviction of the Respondent from the portion of the property C-19, Shardapuri, near Raja Garden, Ring road, New Delhi. The Respondent had sublet, assigned and parted with the possession of the premises to Shambhu Singh without the consent of the Petitioner. The petition is pending before the Rent Controller, Delhi. The next date of hearing is March 31, 2011.

3. LITIGATION INVOLVING OUR DIRECTORS

3.1 Litigation against our Directors

Sandeep Bhardwaj

1. Babita Sharma filed a suit bearing no. CS/45/2009 in the Court of the District and Sessions Judge, Delhi against Rahul Ajmani, Promila Sharma and Sandeep Bhardwaj for the recovery of an amount of ₹ 801,500 paid by Babita Sharma to Rahul Ajmani as earnest money and part payment for the purchase of a property belonging to the said Rahul Ajmani. The transaction was allegedly proposed by Sandeep Bhardwaj. Upon the request of Babita Sharma, Promila Sharma (mother of Sandeep Bhardwaj) was made 33% partner in the transaction and the agreement and the receipt of the transaction was kept with Promila Sharma. Subsequently, after the payment of ₹ 801,500 by Babita Sharma she was told by Rahul Ajmani that the deal was cancelled and the entire amount paid by her was returned to Promila Sharma and Sandeep Bhardwaj. Babita Sharma has prayed for recovery of the sum of ₹ 801,500 along with pendente lite and future interest till the date of realisation, costs of the suit and any other order or direction which the Court may deem fit. The petition is pending before the Court of the District and Sessions Judge, Delhi. The next date of hearing is May 11, 2011.

3.2 Litigation initiated by our Directors

Shyam Sunder Maheshwari

Please see Litigation titled 'Litigation against Promoter Group' on page no. 140 of this DRHP.

Asha Devi Maheshwari

Please see Litigation titled 'Litigation involving Promoters' on page no. 139 of this DRHP.

4. LITIGATION INVOLVING OUR PROMOTER GROUP ENTITIES

a. Litigation against Group Entity

Jaishree Sangmermer Udyog

Sales Tax Litigation

1. JSU (Proprietary concern of Mr. Shyam Sunder Maheshwari) has filed an Objection Form (Appeal) under Delhi Value Added Tax Act, 2004 on February 2, 2011 with the Additional Commissioner, Value Added Tax Department, Delhi against the Notice of default assessment of tax and interest dated January 12, 2011 of the Office of the Value Added Tax Officer, Government of NCT of Delhi bearing Reference No.040677511011983, wherein the VAT Department has directed JSU to pay tax of an amount of ₹ 584,757 (₹ 395,986 Tax and ₹ 188,771 Interest) alleging that the exemption claimed by JSU was not supported by valid legal documents. JSU filed the aforesaid Objection Form (Appeal) stating that the VAT Officer mistook the export sale as local sale and DVAT-51 was duly filed by JSU and C Form was also attached. The Appeal is now pending hearing and final disposal and shall come up for hearing in due course of time.

b. Litigation initiated by Group Entity

Jaishree Sangmermer Udyog

Civil Litigation

1. JSU (Proprietary concern of Mr. Shyam Sunder Maheshwari) has a Suit being Suit No.306 of 2007 before the Court of Senior Civil Judge Tis Hazari, Delhi on June 2, 2007 against Vadalas Project Private Limited (Accused). The Accused purchased some granites from JSU and issued a cheque worth ₹ 236,200 (against granite purchased worth ₹ 236,192) to JSU, which cheque was dishonoured. Subsequently, the Accused made payment of ₹ 60,000 to JSU, and the balance amount of ₹ 176,192 was outstanding. Hence, JSU filed the above Suit for recovery against the Accused for the balance amount of ₹ 176,192 and interest @ 18% per annum. The matter came up for hearing on February 24, 2011 when the matter was adjourned. The next date of hearing is May 2, 2011.

Past Penalties levied upon Our Company in the past five years

Sr. No.	Date	Particulars of the penalty	Amount	Whether paid or not
1.	November 10, 2009	Penalty under the Value Added Tax Act for the period from July 1, 2007 to September 30, 2007	₹ 1000	Paid
2.	October 9, 2009	Penalty under the Value Added Tax Act for the period from July 1, 2007 to September 30, 2007	₹ 1000	Paid
3.	November 10, 2009	Penalty under the Value Added Tax Act for the period from January 1, 2008 to March 31, 2008	₹ 1200	Paid
4.	November 10, 2009	Penalty under the Central Sales Tax Act for the period from January 1, 2008 to March 31, 2008	₹ 200	Paid
5.	October 9, 2009	Penalty under the Delhi Value Added Tax Act for the period from January 1, 2008 to March 31, 2008	₹ 1000	Paid
6.	October 9, 2009	Penalty under the Delhi Value Added Tax Act for the period from January 1, 2008 to March 31, 2008	₹ 200	Paid
7.	October 9, 2009	Penalty under the Central Sales Tax Act for the period from January 1, 2008 to March 31, 2008	₹ 200	Paid
8.	January 28, 2009	Sales tax	₹ 4,347	Paid
9.	January 28, 2009	Sales tax	₹ 3,630	Paid

Material Developments

In the opinion of the Board, other than as disclosed in the Notes to our Financial Statements in the section “Financial Statements” on page no. 105 and in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page no. 126 of this Draft Red Herring Prospectus, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next 12 months.

Amounts due to small scale undertakings

There is no small scale undertaking or any other creditor to whom the Company owes a sum exceeding ₹ 1 lakh which is outstanding for more than thirty (30) days.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filing Red Herring Prospectus with the Registrar of Companies.

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies/private certification agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

Our Board has, pursuant to resolutions passed at its meeting held on October 25, 2010 authorised the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have pursuant to a resolution dated November 19, 2010 under Section 81(1A) of the Companies Act, authorised the Issue.

Approval from the Stock Exchanges

In-principle approval from the National Stock Exchange of India Limited dated [•].

In-principle approval from the Bombay Stock Exchange Limited dated [•].

II. Trademarks

Detailed below are the trademarks registered or licensed in favour of our Company in India:

Description	Applicant	Reference No.	Class	Date of Filing	Date of grant
Registration of our Company's logo 'Jaishree Industries Limited'	Jaishree Industries Limited	2072122	35	December 21, 2010	Applied for

The above trademark is renewable at the expiry of a period of ten years from the date of application.

III. Operating Licenses

A. General Approvals

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
Incorporation and other statutory compliances				
1.	Certificate of Incorporation	17-011350 of 1995-96	January 5, 1996	N.A.
2.	Fresh Certificate of incorporation consequent upon change of name, by the Registrar of Companies, Delhi, i.e. from Jaishree Granites Private Limited to Jaishree Industries Private Limited	U01403DL1996PLC118279	April 20, 2010	N.A.
3.	Fresh Certificate of incorporation consequent upon change of name on conversion to Public Limited	U01403DL1996PLC118279	May 26, 2010	N.A.

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
	Company, by the Registrar of Companies, Delhi, i.e. from Jaishree Industries Private Limited to Jaishree Industries Limited			

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
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Income Tax

1.	Permanent Account Number (PAN) issued by the Income Tax Department	AABCJ0860F	-	Until cancelled
2.	Tax deduction account number (TAN) issued by the Income Tax Department	DELJ07703D	-	Until cancelled

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
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Excise & Service Tax

1.	Central Excise Registration Certificate issued by Asst. Commissioner, Customs & Central Excise, Nellore Division	AABCJ0860FXM001	November 29, 2005	Until cancelled
2.	Customs Private Bonded Warehouse License by Office of Commissioner of Customs & Central Excise, Nellore Division	02/2005	January 21, 2011	January 21, 2016
3.	Service Tax Code Registration Certificate	AABCJ0860FST001	November 9, 2006	Until cancelled

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
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Sales Tax

1.	Central Sales Tax Registration, Andhra Pradesh issued by Commercial Tax Officer, Ongole – II Circle Nellore Division	28080269787	November 1, 2010	Until cancelled
2.	Central Sales Tax Registration, Delhi issued by the Sales Tax Officer under the Delhi Sales Tax rules, 1975	LC/93/217435/699	June 24, 1999	Until cancelled
3.	Value Added Tax (VAT) Registration Certificate, Andhra Pradesh issued by VAT Registering Authority, Ongole – II Circle Nellore Division	28080269787	September 28, 2010	Until cancelled
4.	Value Added Tax (VAT) Registration Certificate, New Delhi issued by VAT Registering Authority, Delhi	07400217435	July 06, 2010	Until cancelled
5.	Value Added Tax (VAT)	23930905725	March 04,	Until

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
	Registration Certificate, Indore, Madhya Pradesh issued by VAT Registering Authority, Indore		2010	Cancelled

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
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Licenses relating to Processing Plant situated at Ongole, Andhra Pradesh

1.	Letter of Permission from Development Commissioner, Visakhapatnam Special Economic Zone	PER 316/EOU/VSEZ/2005	January 22, 2011	January 21, 2016
2.	Green card for 100% Export Oriented Unit issued by the Development Commissioner, Visakhapatnam Special Economic Zone	553/VSEZ	January 22, 2011	January 21, 2016
3.	Approval by the Regional Deputy Director of Town and country Planning Nellore (FAC)	INST.No. 71/2005/RO/NLR	August 6, 2005	N.A.
4.	Consent of the Andhra Pradesh Pollution Control Board	L.Dis.No.2265/A4/2005	August 3, 2005	N.A.
5.	Permanent Registration Certificate granted by the Department of Industries, Government of Andhra Pradesh for registration as a SSI/SSSBE	281806216	August 19, 2006	N.A.
6.	Approval of the Superintending Engineer Operation Circle, Ongole for duration of CMD from 400 KVA to 250 KVA	SE/O/OGL/CommI/AE/F.Doc/D.No. 3662/09	May 25, 2009	NA
7.	Employees' Provident Fund Registration issued by the Regional Provident Fund Commissioner, Guntur	49158	September 11, 2006	N.A.

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
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Others

1.	Certificate of Importer-Exporter Code (IEC) issued by the Assistant Director General of Foreign Trade, Government of India	0505022052	June 15, 2005	N.A
2.	Order dated November 22, 2007 of the Assistant Director of Mines and Geology, Markapur, Prakasam – II permitting to commence quarrying operations at Survey no. 13/P, Gummampadu Village, Pamuru Mandal, Prakasam District, Andhra Pradesh	Proc. No. 705/Q/04	November 22, 2007	April 29, 2025

Sr. No	Description	License/ Registration Number	Date of Issue	Date of Expiry
3.	Certificate from KVQA Certification Services Private Limited for quality management system for NS-EN ISO 9001:2008/ISO 9001:2008 standard	I/QSC-2035	May 5, 2010	May 4, 2013
4.	NSIC-D&B-SMERA (SME Rating Agency of India Limited) Performance and credit rating	N.A.	May 10, 2010	May 9, 2011
5.	“CE” certification confirming that the granite products comply with the essential safety requirements of Construction Directive 89/106/EEC	CE/02/11/1203	February 21, 2011	February 21, 2012
6.	All India Granites and Stone Association	LM 1229	November 21, 2005	N.A.

NOTE:

Wherever required, our Company has made applications to all concerned authorities, for change of name in the respective licenses and approvals (appearing hereinabove) from Jaishree Granites Private Limited to Jaishree Industries Limited.

IV. LICENSES APPLIED FOR AND PENDING APPROVAL

NIL

V. LICENSES & APPROVALS REQUIRED FOR PROPOSED PROJECT

Licenses & Approvals required for the proposed Soybean Extraction Project will be applied as and when required during the course of the implementation of the project. These Licenses & Approvals *inter-alia* include:

- Consent from State Pollution Control Board (SPCB)
- Approval / Clearance from Ministry of Environment & Forests (MoEF)
- Approval from State Electricity Board (SEB)
- Excise & Tax Related Licences
- Licenses under Standards of Weights and Measures Regulation
- Boiler Registration Certificate

SECTION VIII - REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated October 25, 2010 and by special resolution passed pursuant to Section 81(1A) of the Companies Act, at the AGM of the shareholders of our Company held on November 19, 2010.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters, Promoter Group, Directors and group companies have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

Neither our Company nor the Directors, the Promoters have been declared as a wilful defaulter by the RBI or any other governmental authority.

None of the Directors of our Company are associated with the securities market in any manner. There has been no violation of any securities law committed by our Company, the Directors, the Promoters, the Promoter Group entities and the companies in which the Directors are associated as directors in the past and no such proceedings are pending against any of them and they have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26 of the SEBI (ICDR) Regulations 2009, which states as:

(26)(1) An Issuer may make an initial public offering, if:

(a) The company has Net Tangible Assets of at least ₹3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in Monetary Assets; Provided that if more than 50% of the Net Tangible Assets are held in Monetary Assets, the company has made firm commitments to deploy such excess Monetary Assets in its business/project;

Our Company has Net tangible Assets of at least ₹ 3 Crores in each of the preceding 3 full years, of which not more than 50% are held as monetary assets.

(₹ in Lakhs)

Particulars	30 Sept 2010	Year ended March 31,		
		2010	2009	2008
Fixed Assets (Net)	1002.65	1008.82	225.05	232.66
Current Assets, Loans & Adv.	2050.74	1453.82	842.25	684.49
Investments	20.69	24.88	52.89	3.71
Less: Current Liabilities	885.09	508.63	202.50	198.76
Less: Cash Credit	461.00	502.61	115.68	133.85
Net Tangible Assets*	1727.99	1476.25	802.01	588.25
Monetary Assets	11.02	19.43	6.09	36.50
% of the net tangible assets	0.64%	1.33%	0.90%	11.97

*Net tangible assets is defined as the sum of fixed assets (excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (including Cash credit and excluding deferred tax liabilities and long term liabilities)

(b) The company has a track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years; Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;

Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of immediately preceding five years.

(₹ in Lakhs)

Particulars	30 Sept 2010	Year ended March 31,				
		2010	2009	2008	2007	2006
Distributable Profits	197.04	335.55	307.11	208.13	118.71	77.09

(c) The company has a net worth of at least ₹ one (1) crore in each of the preceding 3 full years (of 12 months each);

Our Company has a net worth of at least ₹ 1 Crore in each of the three preceding full years (of 12 months each)

(₹ in Lakhs)

Particulars	30 Sept 2010	Year ended March 31,				
		2010	2009	2008	2007	2006
Equity Share Capital	783.48	783.48	462.48	8.60	1.10	1.10
Reserves & Surplus	860.67	662.88	331.12	430.17	199.58	80.91
Share Application Money	11.00	11.00	0.00	0.00	0.00	0.00
Less: Misc. Exp	0.00	0.00	0.00	0.00	0.00	0.00
Less: Deferred Tax Assets	0.00	0.00	0.00	0.00	0.00	0.00
Net Worth	1655.15	1457.36	793.60	438.77	200.68	82.01

(d) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue Networth as per the audited balance sheet of the preceding financial year.)

Our Company is proposing an issue of [●] equity shares of ₹ 10 each at a price of ₹ [●] aggregating to ₹ 5,686 Lakhs. The Net Worth of our Company as on half year ended September 30, 2010 is ₹ 1,655.15 Lakhs. Thus, the aggregate of the proposed issue does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.

(e) In case the company has changed its name within the last one year, atleast 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name.

The name of our Company was changed from 'Jaishree Granites Pvt. Ltd.' to 'Jaishree Industries Pvt. Ltd.' on April 20, 2010 and further the name was changed to Jaishree Industries Ltd. on May 5, 2010 pursuant to status change. However, the change of name as stated hereinabove does not indicate any new business activity undertaken by our Company and the business of our Company continues to remain the same as it was prior to the name change.

Accordingly, our Company is eligible for the Issue under Regulation 26(1) of the SEBI (ICDR) Regulations 2009. However, our Company is doing a "Voluntary Book Building Issue" wherein our Company proposes to allot not more than 50% of the issue to QIBs and under-subscription, if any, in the QIB portion will be added back to the other categories of the Issue.

Further, in accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, we shall ensure that the number of prospective allottees, i.e. the persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of upto 15% per annum on application money for the period of delay as prescribed under section 73 of the Companies Act.

Compliance with Part A of Schedule VIII of the SEBI Regulations

Our Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI Regulations. No exemption from eligibility norms has been sought under regulation 109 of the SEBI Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSES

SEBI DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, ASHIKA CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ASHIKA CAPITAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 14, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- (2) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- (3) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (4) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- (5) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

- (6) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.
- (7) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS
- (8) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.
- (9) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- (10) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
- (11) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN DEMATERIALISED MODE ONLY.
- (12) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- (13) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- (14) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- (15) 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.
- (16) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME; WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE DRHP.

Caution - Disclaimer statement from Our Company & BRLM:

Our company and the BRLM accept no responsibility for statements made otherwise than in the offer document or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information including website of our company <http://www.jaishreegranites.com>, would be doing so at his own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the Book Running Lead Manager and our Company and the Underwriting Agreement to be entered into between the Underwriter and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate Members are liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to and to FIIs, eligible NRIs and other eligible foreign investors (i.e., FVCIs, multilateral and bilateral development financial institutions). This DRHP does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this DRHP comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the DRHP has been filed with SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this DRHP may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this DRHP nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to our Company, post scrutiny of this DRHP, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to our Company, post scrutiny of this DRHP, shall be included in the Red Herring Prospectus prior to the RoC filing.

FILING

A copy of the DRHP has been filed with the Regional Office of SEBI at:

SEBI Northern Regional Office

5th Floor, Bank of Baroda Building,
16, Sansad Marg,
New Delhi - 110 001
Tel: +91-11-23724001-05
Fax: +91-11-23724006.
Email: sebinro@sebi.gov.in

A copy of the Red Herring Prospectus, along with the documents required to be filed under 60B of the Companies Act would be delivered for registration to the RoC at:

Registrar of Companies

4th floor, IFCI Tower, 61, Nehru Place,

New Delhi – 110019 India
Tel: 011-26235703-04;
Fax: 011-26235702;
Email: roc.delhi@mca.gov.in

A copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the above mentioned address.

LISTING

Application has been made to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, for permission to deal in and for an official quotation of the Equity Shares to be issued under the present public offer pursuant to this document.

Bombay Stock Exchange Limited shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Bombay Stock Exchange and National Stock Exchange, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this DRHP. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 7 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for the Issue.

CONSENTS

Necessary Consents for the issue have been obtained from the following:

1. Directors of our Company
2. Promoters of our Company
3. Statutory Auditors of our Company
4. Independent Auditors
5. Book Running Lead Manager to the Issue
6. Syndicate Members
7. Legal Advisor to the Issue
8. Registrar to the Issue
9. Company Secretary & Compliance Officer
10. IPO Grading Agency
11. Bankers to our company
12. Bankers to the Issue
13. Underwriters to Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, 4th floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 India as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn upto the time of delivery of the Red Herring Prospectus, for registration with the RoC.

U. K. Kamath & Associates, our Statutory Auditors, have given their written consent to the report on possible tax benefits accruing to our Company and its members in the form and context in which it appears in this DRHP and has not withdrawn such consent up to the time of filing of this Prospectus with the RoC.

R. Mahajan & Associates, Chartered Accountants, Independent Auditors, who holds a Peer Review Certificate, have given their written consent to the report on restated financial information of our Company, in the form and context in which it appears in this DRHP and has not withdrawn such consent up to the time of filing of this Prospectus with the RoC.

Expert Opinion

Except the report of the Independent Auditors dated [●] provided by R. Mahajan & Associates, Chartered Accountants, and the report of [●] in respect of IPO grading of this Issue, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 380 Lakhs. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. Our Company would pay all expenses with respect to the Issue.

The estimated Issue expenses are as under:

(₹ in Lakhs)			
Activity	Expenses*	Percentage of the Issue Expenses*	Percentage of the Issue Size*
Fees to be paid to the Book Running Lead Manager	[●]	[●]	[●]
Fees to be paid to the Registrar to the Issue	[●]	[●]	[●]
Fees to be paid to the domestic and international legal advisors to the Issue	[●]	[●]	[●]
IPO Grading	[●]	[●]	[●]
Underwriting commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing, stationery and distribution expenses	[●]	[●]	[●]
Others (SEBI filing fee, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	375	100	6.60

* Will be incorporated after finalisation of Issue Price.

Fees Payable to the BRLM and the Syndicate Members

The total fees payable to the Book Running Lead Manager and the Syndicate Members will be as per the engagement letter dated [●] with the BRLM issued by our Company, a copy of which is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between us and the Registrar to the Issue dated November 9, 2010, a copy of which is available for inspection at the Registered Office of our Company from 10.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post or speed post.

IPO Grading

This Issue has been graded by [●] and has been assigned a grade of IPO Grade [●] indicating [●], through its letter dated [●].

The rationale furnished by the grading agency for its grading will be available for inspection and will be provided to the Designated Stock Exchange and updated at the time of filing the Red Herring Prospectus with the RoC.

Disclaimer of IPO Grading Agency - [●]

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Previous Rights and Public Issues

Our Company has not made any public issue (including any rights issues to the public) since its inception.

Companies under the Same Management

Except as disclosed in section “Our Promoters and Promoter Group” beginning on page no. 99 of this Draft Red Herring Prospectus, no company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v/s performance

Our Company has not undertaken any previous public or rights issue.

None of the Group Entities or associates of our Company is listed on any stock exchange.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section titled “Capital Structure” on page no. 21 of this Draft Red Herring Prospectus, our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Outstanding Debentures, Bond Issues, or Preference Shares

Our Company has no outstanding debentures or bonds or redeemable preference shares or other such instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB or the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company and / or the Registrar to the Issue and / or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 10 business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Shareholders/Investors Grievance Committee for the redressal of investor grievances. The constitution of the Shareholders and Investors Grievance Committee is as follows:

Sr. No.	Name of the Director	Designation	Nature of Directorship
1.	Mrs. Asha Devi Maheshwari	Chairperson	Non-Independent
2.	Mr. Sanjay Mantri	Member	Independent
3.	Mr. Sandeep Bhardwaj	Member	Independent

We have also appointed Mr. Abhinav Leekha, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

Jaishree Industries Limited
D-12, Rajouri Garden,
(Ring Road),
New Delhi 110027
Tel: +91 11 4144 4471
Fax: +91 11 4142 0985
Email: ipo@jaishreegranites.com
Website: <http://www.jaishreegranites.com>

Disposal of investor grievances by listed companies under the same management as our Company

There are no listed companies under the same management as our Company.

Change in Auditors

There has been no change in our Auditors since inception.

Capitalization of Reserves or Profits

Our Company has not capitalized our reserves or profits since its inception, except as stated in the section titled “Capital Structure” on page no. 21 of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets since inception.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

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

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on October 25, 2010 authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a resolution dated November 19, 2010 under Section 81(1A) of the Companies Act, authorized the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari-passu* with the existing Equity Shares of Our Company including rights in respect of dividend. The Allottees in receipt of allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment. For further details, please see “Main Provisions of the Articles of Association” on page no. 192 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends, if declared, to the shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles and the provision of the Listing Agreements..

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company’s Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Our Articles of Association” on page no. 192 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum allotment of [●] Equity Shares.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●] and [●] edition of regional language newspaper [●] at least two working days prior to the Bid/ Issue Opening Date.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

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

Nomination Facility to Investor

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

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

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

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

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

Period of operation of subscription list of public issue

BID/ISSUE OPENS ON	[●]
BID/ISSUE CLOSES ON	[●]

Minimum Subscription

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

Further in terms of Regulation 26(4) A of the SEBI (ICDR) Regulations, we shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Arrangement for disposal of odd lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares and Promoters minimum contribution in the Issue as detailed in the section “Capital Structure” on page no. 21 and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. For further details, see “Main Provisions of our Articles of Association” on page no. 192 of this Draft Red Herring Prospectus.

Compliance with SEBI (ICDR) Regulations, 2009

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

Option to Receive Securities in Dematerialised Form

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ 5,686 Lakhs. The Issue will constitute [●] % of the post Issue paid up capital of our Company.

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allotment/allocation	Not more than 50% of the Issue Size being allocated. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares so that the Bid Amount is less than ₹ 200,000 and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the	Eligible NRIs, Resident Indian	Resident Indian individuals, Eligible

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Companies Act, FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million in accordance with applicable law and National Investment Fund, Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by Department of Posts, India.	individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals	NRIs and HUFs (in the name of Karta).
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members #	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members#	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members #

In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.

* Upto 50% of the Issue shall be allotted to QIBs on a proportionate basis subject to valid Bids received at a price above the Floor Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The balance of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them above the Floor Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated to the QIBs on proportionate basis. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids received at the Floor Price. Additionally, not less than 35% of the Issue will be available for allocation to Retail Individual Bidders subject to valid Bids being received at the Floor Price.

Under-subscription, if any, in any category, would be met with spillover from other categories at sole discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear

in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date including after the Bid / Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC acknowledgement of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. If our Company does not receive minimum subscription of 90% of the Issue size, including devolvement of the members of the syndicate, our Company shall forthwith refund the entire subscription amount received. In case, our Company receives minimum subscription but wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The Public Notice will appear in an English national newspaper, a Hindi national newspaper and one regional language newspaper with wide circulation.

Bidding/Issue Programme

BID/ISSUE OPENS ON	 •
BID/ISSUE CLOSES ON	 •

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 200,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

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

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

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

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press

release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

It may be noted that pursuant to the SEBI Circular (no. CIR/CFD/DIL/2/2010) dated April 06, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. Out of the QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Single bid from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Bid cum Application Form

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. On filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate or the SCSBs, the Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form to the SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non-ASBA Bidders*)	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non-ASBA Bidders*)	Blue

**Bid cum Application forms for ASBA Bidders and the abridged prospectus will be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.*

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Indian Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI (ICDR) Regulations and regulations, as applicable);
- FIIs and sub-accounts (other than a sub-account which is a foreign corporate or foreign individual under the QIB category) registered with SEBI;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidders category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Insurance funds set up and managed by Department of Posts, India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Participation by Associates of BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at our Registered Office and with members of the Syndicate.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs should use the Bid cum Application Form which is [●] in colour. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of [●] Equity Shares) of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI FII Regulations, an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on 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 who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with "know your client" norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended *inter alia* prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed ₹ 200,000. In case the Bid Price is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI (ICDR) Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of Bid.** Our Company may close Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date. Accordingly, a QIB investor will not be allowed to withdraw their Bids after the Bid/issue Closing Date or one Working Day prior to the Bid/Issue Closing Date as may be applicable.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Information for the Bidders:

1. Our Company and BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English national daily and Hindi national daily) and in one regional language newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
3. Our Company may decide to close bidding by QIBs one Working Day prior to the Bid/Issue Closing Date provided that Bidding shall be kept open for a minimum of three days for all categories of Bidders. Our Company's decision to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date shall be disclosed in the Red Herring Prospectus to be filed with the RoC.
4. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

5. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
6. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Members or their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
7. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.
8. The Price Band has been fixed at a minimum price of ₹ [●] (Floor Price) and the maximum price of ₹ [●] (Cap Price) per Equity Share. The Bidders can Bid at any price within the price Band, in multiples of [●] Equity Shares.

Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with PAN, the DP ID and Client ID available in the depository database, the Bid cum Application form is liable to be rejected. With effect from August 16, 2010, the demat accounts for Bidders for which PAN details have not been verified, except for persons resident in the state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended credit” and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders.

Method and Process of Bidding

1. Our Company, in consultation with the BRLM, will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one regional language newspaper with wide circulation at least two Working Days prior to the Bid/Issue Opening Date. The members of the Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
2. The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one regional language newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
3. During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
4. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph “Bids at Different Price Levels” on page no. 168 of this DRHP) within the Price Band and specify the demand (*i.e.*, the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
5. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid

cum Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids” on page no. 171 of this DRHP.

6. The members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
7. Bids by QIBs under the QIB Portion shall not be considered as multiple Bids.
8. Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in the section “Issue Procedure - Escrow Mechanism, terms of payment and payment into the Escrow Accounts” on page no. 169 of this DRHP.
9. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSBs shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
10. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSBs shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
11. If sufficient funds are available in the ASBA Account, the SCSBs shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
12. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar shall send an appropriate request to the SCSBs for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar.

Bids at Different Price Levels and Revision of Bids

1. Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side *i.e.* the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
2. Our Company, in consultation with the BRLM, will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
3. The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
4. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the members of the

Syndicate. In case of ASBA Bidders (other than Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

5. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed ₹ 200,000 for Retail Individual Bidders, if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds ₹ 200,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non- Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.
6. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
7. In the event of any revision in the Price Band, whether upwards or downwards, our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application is in the range of ₹ 5,000 to ₹ 7,000.
8. During the Bidding/ Issue Period, any bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
9. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. The Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must complete all the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus.
11. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of revision of the original bid.**

ESCROW MECHANISM, TERMS OF PAYMENT AND PAYMENT INTO THE ESCROW ACCOUNTS

For details of the escrow mechanism and payment instructions, see section titled “Issue Procedure – Payment Instructions” on page no. 178 of this DRHP.

ELECTRONIC REGISTRATION OF BIDS

1. The members of the Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and/or the SCSBs

shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

2. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.
3. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bidding/ Issue Period. The Syndicate Members and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis.
4. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the bidding centres during the Bid/Issue Period.
5. At the time of registering each Bid other than ASBA bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Bid Cum Application Form number
 - Investor Category – Individual, Corporate, QIBs, Eligible NRI, FVCI, Mutual Fund, FII etc.;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Numbers of Equity Shares Bid for;
 - Price option; and
 - Cheque Details.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s);
 - Bid cum Application Form number;
 - PAN (of First Bidder, if more than one Bidder);
 - Investor Category – Individual, corporate, FII, NRI, Mutual Funds, etc. ;
 - DP ID of the demat account of the Bidder;
 - Client identification number of the demat account of the Bidder;
 - Number of Equity Shares bid for;
 - Bid Price;
 - Bid Amount; and
 - Bank Account Number;
6. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/allotment either by the members of the Syndicate or our Company.
 7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 8. Incase of QIB Bidders, only the BRLM and their affiliate members of the Syndicate has the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case on Non-Institutional Bidders and Retail Individual Bidders, Bids would be rejected on the technical grounds. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

9. The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
10. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.

BUILD UP OF THE BOOK AND REVISION OF BIDS

1. Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis;
2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period.
3. During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
5. The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSBs through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
6. QIB Bidders shall not be allowed to withdraw their bids after the closure of the Issue.
7. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
8. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSBs, as applicable. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

PRICE DISCOVERY AND ALLOCATION

1. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with our company.
2. Our Company, in consultation with the BRLM shall finalize the Issue Price, the number of Equity Shares to be allotted in each investor's category.
3. The allocation to Non-Institutional Bidders and Retail Individual Bidders would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, the RHP and Prospectus in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
4. In case of over-subscription in all categories, not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders out of which 5% shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB portion will also be eligible for allocation in the remaining QIB portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders in proportion to their bids. Further, not less than 15% of the issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids received at or above the Issue Price.
5. Under subscription, if any, in any categories would be allowed to be met with spill over from any of the other categories at the sole discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than 2,27,200 Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
6. Allocation to NRI's, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
7. QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
8. Our Company reserves the right to cancel the Issue any time after the Bid Opening Date, but before the Allotment. QIB Bidders Bidding in the QIB Portion shall not be allowed to withdraw their Bid after the Bid Closing Date. If our Company withdraws the Issue, it shall issue a public notice that shall include reasons for such withdrawal within two days of the Bid Closing Date. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.
9. Our Company in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs Bidding in the QIB Portion, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Our Company, in consultation with BRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reason thereof.
10. If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid-cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form after the Bid/Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been

approved by the Designated Stock Exchange.

11. The allotment details shall be uploaded on the website of the Registrar to the Issue.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

1. Our Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, our company will update and file the updated RHP with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations in two widely circulated newspapers (one each in English and Hindi) and a Regional newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE ("CAN")

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
3. The Issuance of CAN is 'Subject to "Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page no. 163 of this DRHP:

Notice to QIBs: Allotment Reconciliation and Revised CANs

QIBs bidding in the QIB Portion will be sent a CAN, indicating the number of Equity Shares that may be allocated to them after the final Basis of Allotment, as approved by the Designated Stock Exchange and reflected in the reconciled physical book prepared by the Registrar to the Issue. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be

transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

1. Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.
2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form;
4. Ensure that the details about Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;
5. Ensure that the bank account details are entered only in the space provided specifically for this purpose. Bids submitted which do not have the bank details are liable to be rejected.
6. Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSBs where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for Bidding has a bank account;
7. With respect to ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;
8. Ensure that you request for and receive a TRS for all your Bid options;
9. Ensure that full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to Bid Amount are blocked in case of Bids submitted through SCSBs;
10. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSBs before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSBs;

11. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
12. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
13. Except for Bids submitted on behalf of the Central Government or the State Government, officials appointed by a court and residents of Sikkim, for whom submission of PAN is not mandatory, all Bidders should mention their PAN allotted under the Income Tax Act;
14. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
15. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.
16. Ensure that DP ID, the client identification number and PAN mentioned in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form/ASBA Bid-cum- Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the SCSBs, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs, as applicable;
6. Do not Bid at Cut Off Price (for QIB Bidders or Non-Institutional Bidders);
7. Do not Bid at Bid Amount exceeding ₹ 200,000, in the case of a Bid by Retail Individual Bidder;
8. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
9. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
10. Do not submit the Bids without the full Bid Amount.

Instructions for Completing the Bid cum Application Form

Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
3. Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Please ensure that the details are correct and legible.
4. For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ 200,000.
5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] that the Bid Amount exceeds ₹ 200,000. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
6. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate, a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including category, age, address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, the Escrow Collection Banks nor the BRLM nor the Registrar shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and DP ID/ Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our

Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Our Company in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, and the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSBs shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Terms of Payment and Payments in Escrow Accounts for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or, remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident QIB Bidders: “JIL – Escrow Account – QIB”
 - In case of Non-Resident QIB Bidders: “JIL – Escrow Account – QIB - NR”
 - In case of Resident Bidders: “JIL – Escrow Account”
 - In case of Non Resident Bidders: “JIL – Escrow Account - NR”
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
6. In case of Bids by FIIs or FVCIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.
8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.
9. On the Designated Date, the Escrow Collection Bank shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue
10. On the Designated Date and no later than 10 working days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
11. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative

Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

SUBMISSION OF BID-CUM-APPLICATION FORM

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Mode of Payment for ASBA Bidders

ASBA Bidders shall specify the bank account number in the ASBA Bid-cum-Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the ASBA Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal or rejection of the Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of the Bid or in respect of unsuccessful ASBA Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The entire Bid Amount, as specified in the ASBA Bid-cum-Application Form submitted by an ASBA Bidder, will be required to be blocked in the relevant ASBA Account until the approval of the basis of Allotment in the Issue by the Designated Stock Exchange and consequent transfer of the Bid Amount against allocated Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue or until rejection of the ASBA Bid, as the case may be. Upon completing and submitting the ASBA Bid-cum-Application Form, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the ASBA Account maintained with the SCSB.

An ASBA Bid-cum-Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of the Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in “– Build up of the Book and Revision of Bids” on page no. 171 of this Draft Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bids in any or all categories. The procedures which would be followed by the Registrar to detect multiple applications are given below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. The Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids were scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bear the same DP ID and Beneficiary Account Numbers, these were treated as multiple Bids and were rejected.

Our Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

SEBI had issued a circular directing that with effect from July 2, 2007, PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. Pursuant to Item XII(B)(17)(c) of Schedule VIII of the ICDR Regulations, it has been stipulated that all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid-cum-Application Form/ASBA Bid-cum-Application Form, irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected.

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Rejection of Bids

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids at the time of acceptance of the Bid provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSBs. Subsequent to the acceptance of the ASBA Bid by the SCSBs, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders should note that incomplete Bid cum Application Forms and Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate of the SCSBs. Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
3. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Bid cum Application Form;
5. GIR number furnished instead of PAN;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at Cut Off Price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of [●];
11. Category not ticked;
12. Multiple Bids as defined in this Draft Red Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stockinvest/ money order/ postal order/ cash;
15. Signature of sole and/ or joint Bidders missing;
16. Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Members;
17. Bid cum Application Forms does not have Bidder's depository account details;
18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
19. In case no corresponding record is available with the Depositories that matches three parameters

namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
21. Bids where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
22. Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;
23. Bids by OCBs;
24. Bids not duly signed by the sole/ joint Bidders;
25. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
26. Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
27. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
28. Bids by persons who are not eligible to acquire Equity Shares of our Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
29. Bids or revisions thereof by QIB Bidders, Non Institutional Bidders where the Bid Amount is in excess of ₹ 200,000, uploaded after 4.00 pm on the Bid/ Issue Closing Date;

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE MEMBERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated [●], 2011 with NSDL, the Company and the Registrar to the Issue;
2. Agreement dated [●], 2011 with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
7. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.
9. Non-transferable allotment advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, the Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

ASBA Bidders may address all grievances relating to the ASBA process to the Registrar to the Issue, with a copy to the relevant SCSB, giving full details such as name and address of the applicant, the number of Equity Shares applied for, the Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Bid-cum-Application Form was submitted by the ASBA Bidder.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable ICDR Regulations.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Branches of the SCSBs, Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS—Payment of refund would be done through ECS for applicants having an account at any of the 68 centres notified by SEBI through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 200,000 will be considered to receive refund through RTGS. For such eligible applicants, the IFSC code will be derived based on the MICR code of the Bidder as per depository records. In the event the same is not available as per depository's records, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected, unsuccessful, or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within twelve working days of Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured. With respect to ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum for any delay beyond the 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

1. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allotment, refer below.

2. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of allotment refer below.

3. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue less allocation to Non-Institutional Portion and Retail Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the First instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allotment to all QIBs shall be determined as follows:
 - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Based on the above, the level of the subscription shall be determined and proportionate allocation to all QIBs including Mutual Funds in this category shall be made

PROCEDURE AND TIME SCHEDULE FOR TRANSFER OF EQUITY SHARES

The Issue will be conducted through a “Voluntary Book Building Process” pursuant to which the

Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the **basis of allotment** and entitlement to allotment based on the bids received and subject to the confirmation by the BSE and NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 12 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

METHOD OF PROPORTIONATE BASIS OF ALLOTMENT IN THE ISSUE

In the event of the Issue being over-subscribed, we shall finalize the basis of allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for by them.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- e) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (1) (which is the marketable lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCBS

Our Company shall give credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of

credit of refund within 12 Working Days of closure of Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS/ INSTRUCTION TO THE SCSBS BY THE REGISTRAR

Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily. Our Company has authorized the Company Secretary and Compliance Officer to redress all complaints, if any, of the investors participating in the Issue;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that 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;
- that the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Our Company shall not have recourse to the Issue proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

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

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at anytime, including after the Bid/Issue Closing Date but before the Board meeting for Allotment, and if so, the reason thereof shall be given as a public notice, in two national newspapers (one each in English and Hindi) and in one Regional newspaper. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

In terms of the SEBI (ICDR) Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued by the Department of Industrial Policy & Promotion, Government of India (Circular 1 of 2010, with effect from April 1, 2010). Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. FEMA regulates the precise manner in which such investment may be made. Unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Under the sector specific guidelines of the GoI, 100% FDI is allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (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 the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers", as defined in Rule 144A of the Securities Act (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION X: MAIN PROVISIONS OF THE 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 II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

CAPITAL

1. The Authorised Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of ₹10/-(Ten only) each with a power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes and to attach preferential, cumulative convertible preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association..

ISSUE OF PREFERENCE SHARES

2. Subject to the provisions of Section 80, any preference shares may, with the sanction of the members in general meeting be issued on such terms that they may decide.

REDUCTION OF SHARE CAPITAL

3. The Company may, by special resolution, reduce in any manner and with, subject to, any incident authorized and consent required by law:
 - a) Its share capital
 - b) Any capital redemption reserve account or
 - c) Any share premium account

ALTERTION AND CONSOLIDATION OF CAPITAL

4. The Company may from time to time but subject to the provisions of Section 94 of the Act, alter the conditions of its Memorandum as follows:-
 - a) Increase its share capital by such amount as it thinks expedient by issuing new shares:
 - b) Consolidate and divide all or any of its share capital into shares or larger amount than its existing shares;
 - c) Convert all or any of its fully paid up shares in to stock, and reconvert that stock into fully paid up shares of any denominations:
 - d) Sub-divide its shares, or any of them, in to shares of smaller amount than is fixed by memorandum, so however, that in the sub-division the proportion between the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares are derived.
 - e) Cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled.
 - f) The resolutions where by any share is subdivided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantages as regards dividend, capital, voting or otherwise over or as compared with the others.

VOTING RIGHTS OF MEMBERS

5. 1) Every member holding any equity shares shall have a right to vote in respect, of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll, his voting right in respect on his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.
- 2) In the event of the company issuing any preference shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

BUY-BACK OF SECURITIES

6. Power of the Company to purchase its own securities.

Notwithstanding anything contained in these Articles but subject to the provisions of section 77 A and 77B of the Act the Company may purchase its own securities or other specified securities (hereinafter referred to as Buy-back) out of.

- a) Its Free Reserves: or
- b) The Securities premium Account; or
- c) The proceeds of any shares, or other specified securities.

In accordance with provision of section 77A and 77B of the Act and rules prescribed the central Government or by securities and Exchange Board of India in this behalf.

COMMISSION FOR PLACING SHARES, DEBENTURES ETC

7. 1) Subject to the provisions of Section 76 of the Act, the Company may on any Public Issue pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company but so that the statutory conditions and requirements shall be observed and complied with the amount of rate of commission shall not exceed five percent of the price at which the shares are issued and in case of debentures the rate of commission shall not exceed two and a half per cent of the price at which the debentures are issued.
- 2) The Company may also, on any issue, pay such brokerage as may be lawful.

SHARES AND CERTIFICATES

8. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in that company made for the first time after its formation, which ever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, then the same shall be in accordance with provisions of Section 81.

SHARES AT THE DISPOSAL OF THE DIRECTORS

9. Subject to the provisions of the Act and these Articles, the board of directors may allot and issue shares in the capital of the Company in full payment or in part payment for any property or assets of any kind whatsoever sold, supplied or transferred, or for goods or machinery supplied or for services rendered to the Company in connection with the formation or promotion of the Company or 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 in cash, and if issued, shall be deemed to be fully paid up or partly paid up shares, as the case may be.

RIGHTS TO CERTIFICATE

10. Every person whose name is entered as a member in the Register shall be entitled to receive without payment;
 - a) One certificate for all his shares: or

- b) Where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usages of the stock exchange or at the request of the shareholder, several certificates on each per marketable lot and one for the balance.
11. The company shall within two months after the allotment or within one month after application for the registration of the transfer of any share or debentures complete and have ready for delivery, the certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.
- i. Every certificate shall be under the seal and shall specify the number and distinctive number of shares to which it relates and the amount paid up thereon and shall be in such form as the Directors may prescribe and approve
 - ii. The provisions of clauses (2) & (3) above shall apply mutatis mutandis to debentures and debenture stock allotted or transferred.
 - iii. No fee shall be charged for the issue of a new share certificate either for sub-division of the existing share certificates or for the consolidation of several share certificates into one or for issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement for transfer or for registration of any probate, letters of Administration, Succession certificate or like document, or for registration of any power of Attorney or other similar documents.
 - iv. The Company shall observe such rules and conditions as may be prescribed by the Government or required by the Stock Exchanges on which the shares are listed, for renewal of Share Certificates or issue of duplicate Share Certificates.

RENEWAL OF CERTIFICATE

12. If any certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirements of any stock exchanges or rules made under the Act or rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall mutatis mutandis apply to debentures of the Company.

BOARD'S RIGHT TO REFUSE TO REGISTER

13. 1) Subject to the provisions of Section 111A of the Act, and other applicable provisions of the Act or any other law for the time being in force, the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer of or transmission by operation of law of the right to a share, whether fully paid up or not and whether the transferee is a member of the company or not and may also decline to register any transfer of shares on which the company has a lien. Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the company on any account except a lien on the shares.
- 2) If the Board refuses to register any transfer or transmission of right, they shall within 1 month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.

3) In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by section 111 of the Act.

4) The Provisions of this clause shall apply to transfers of stock also.

FURTHER RIGHT OF BOARD OF DIRECTORS TO REFUSE TO REGISTER

14. The Board of Directors may also decline to recognise any instrument of transfer unless.

- a) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transfer to make the transfer and
- b) The instrument of transfer is in respect of only one class of shares.

FORM OR INSTRUMENT OF TRANSFER

15. The instrument of transfer of any physical shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 108 of the Act.

FEES FOR TRANSFER

16. No fee shall be charged for registration of transfer of shares and debentures, or for transmission of shares and debentures.

PAYMENT ON CALL IN ADVANCE

17. 1) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- 2) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
- 3) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

CALLS ON SHARES

18. Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the date, time and place or at the dates, times and places appointed by the Board of Directors.

CALL WHEN DEEMED TO BE MADE

19. The Board of Directors may, when making a call by resolution determine the date on which such call shall be deemed to have been made not been earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.

NOTICE FOR CALL

20. Not less than thirty days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by Notice writing to the members, extend the time for payment thereof.

SUMS PAYABLE AT FIXED DATE TO BE TREATED AS CALLS

21. If by the terms of issue of any share or otherwise any amount is made payable at any fixed date or by installments at fixed dates whether on account of nominal value of share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

CALLS TO CARRY INTEREST

22. 1) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay; interest upon the sum at such rate not exceeding six percent per annum as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.

2) The provisions of this Article as to payment of interest shall apply in the case of nonpayment of any sum which by the terms of issue of a share becomes payable at a fixed date. Whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

FORFEITURE OF SHARES

23. The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment on or before the day named, the shares in respect of which the call was made will be liable to be forfeited.
24. If the requirements of any such notice as aforementioned 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 of Directors to that effect.
25. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of directors may think fit.
26. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay and shall forthwith pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the nominal amount of shares
27. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and receipt of the Company for the consideration, given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by way of any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

COMPANY'S LIEN ON SHARES/DEBENTURES

28. The company shall have a first and paramount lien upon all the shares/debentures (Other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempted from the provisions of this clause.

SHARE WARRANTS

29. 1) The company may issue share warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly, the Board may in their discretion, with respect to any share registered as fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, required as to the identity of the person signing the application, and on receiving the certificate if any of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share warrant and may provide by coupons or otherwise for the payments of the future dividends on the shares specified in the share warrant.
- 2) A share warrant shall entitle the bearer to the shares included in (1) above and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the company with respect to transfer and transmission of shares shall not apply thereto.
- 3) The bearer of a share warrant shall on surrender of the warrant to the company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

BORROWING

30. The Board of Directors may from time to time but with such consent of the company in General Meeting as may be required under Section 293 raise any moneys or sums of money for the purpose of the company, provided that the moneys to be borrowed by the company apart from temporary loans obtained from the company's bankers in the ordinary course of business shall not without the sanction of the company at a general meeting exceed the aggregate of the paid up capital of the company at its free reserves, that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of the Sections 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the company, by the issue of debentures perpetual or otherwise, including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised, or received, mortgage. Pledge or charge the whole or any part of the property, assets or revenue of the company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities;

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the powers to borrow as stated above shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

31. The Directors may by a resolution at a meeting of the Board delegate the above powers to borrow money otherwise than on debentures to a Committee of Directors or the managing Director if any, within the limits prescribed.
32. Subject to the provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular by promissory notes or by opening current accounts

or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture-stock of the company (both present and future) including its un called capital for the time being, or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

DIRECTORS AND OFFICERS

Number of Directors

33. Unless otherwise determined by a general Meeting, the number of directors shall not be less than three (3) and not more than twelve (12) including all kind of directors but excluding alternative directors.

Share qualification not necessary

34. Any person whether member of the company or not may be appointed as a Director and no qualification by way of holding share shall be required of any Director.

Additional Directors

35. The Board of Directors shall have power at anytime, and from time to time, to appoint one or more persons as additional Directors, provided that the number Directors and additional Directors together shall not exceed the maximum number fixed. Any additional Director so appointed shall hold office upto the date of the next annual general meeting, but he shall be eligible for election by the Company at that meeting.

Alternate Directors

36. The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the office of original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original, and not to the alternate Director.

Nominee Directors

37. At the option of the corporation, such corporation Director/s shall not be required to hold any share qualification in the company. Also at the option of the corporation, such corporation Director/s shall not be liable to retirement by rotation of Directors, subject as aforesaid, the corporation Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other, Director of the company.

Rotation Of Directors

38. Not less than two thirds of the total number of the directors of the company for the time being holding office shall be directors whose period of office is liable to be determined, by retirement by rotation and who shall be appointed by the Company in General Meeting.
39. At each Annual General Meeting of the Company one third of such of the directors as are liable to retire by rotation for the time being of if their number in not three or multiple of three, then the number nearest to one third shall retire from office. An Additional Director appointed by the Board shall not be liable to retire by rotation within the meaning of this Article.
40. A retiring director shall be eligible for re-election and the Company at the Annual General Meeting at which a director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

41. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became director on the same day, those to retire shall unless they otherwise agree among themselves be determined by lot.
42. Subject to the provisions of Section 256 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating director is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of retiring directors is not filled up and that meeting has also not expressly resolved not to fill up the vacancy then the retiring directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
43. Subject to the provisions of Section 284 of the Act, the company may by an ordinary resolution in General Meeting remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person instead the person so appointed shall be subject to retirement at the time as if he has become a director on the day on which the director in whose place he is appointed was last elected as director.
44. A person not being a retiring director shall be eligible for appointment to the office of a director at any General Meeting if he or some other member intending to propose him as a director not less than 14 days before the meeting has left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the director or the intention of such member to propose him as a candidate for the office as the case may be, along with a deposit of such sum provided in the Act which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as director.

Casual Vacancy

45. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

Remuneration Of Directors

46. Each Director of the Company shall be entitled to receive out of the funds of the company for his services in attending meetings of the Board, such maximum amount as is permissible be paid to the Director as sitting fees under the provisions of the Act.

MEETING OF THE BOARD

47. The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it think fit provided that at least four such meetings shall be held in every year.

How to convene

48. The Managing Director may at any time summon a meeting of the Board and the Managing Director or a Secretary on the requisition of a Director shall at any time summon a meeting of the Board, Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

Quorum

49. The quorum for a meeting of the Board shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two third of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as

Directors on the date of the resolution or meeting that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at that time.

Validity of acts done by a board or a committee

50. All acts done by any meeting of the Board or of a committee thereof or by any person acting as a Director shall not withstanding 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 be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Resolution by circulation

51. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the directors or to all the members of the committee then in India, not being less in number than the quorum fixed for the meeting of the Board or the committee, as the case may be, and to all other Directors or members at their usual addresses in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

Chairman of board and general meeting

52. The office of Chairman shall be held by the person as may be nominated by the Board. The Chairman shall be entitled to Chair at all meetings of the Board or committee thereof and at all general meetings of the Company.

Powers to delegate to committee

53. Subject to provisions of Section 292 of the Act, and other provisions of the Act, the Board may delegate from time to time and at any time to a committee formed out of the directors all or any of the powers authorities and discretions for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.

SPECIFIC POWERS OF DIRECTORS

54. Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:

1) To carry on and transact the several kinds of business specified in Clause III of the Memorandum of Association of the company.

2) To draw, accept, endorse, discount, negotiate and discharge on behalf of the company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, government promissory notes, other government instruments, bonds, debentures or debenture stocks of corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the government and other local or corporate bodies in connection with any business or any subject of the company.

3.) At their discretion, to pay for any property rights or privileges acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures or other securities may be either specifically charged upon all or any of the property of the company or not so charged.

4.) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisors, accountants, cashiers agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants as from time to time may in their option be necessary or advisable in the interest of the company

and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Directors think fit.

5.) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof, subject to the provisions of the Act in relation to reduction of capital.

6.) To secure the fulfillment of any contracts or agreements entered into by the company by mortgage or charge of all or any of the property of the company or in such other manner as they may think fit.

7.) To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound or compromise or subject to arbitration the same actions, Suits and legal proceedings.

8.) To make and give receipts, releases and other discharges for money payable to the company and for the claims and demands of the company.

9.) To determine who shall be entitled to sign on the company's behalf bills of exchange, promissory notes, dividend warrants, cheques and other negotiable instruments, receipts, acceptance endorsements, releases, contracts, deeds and documents.

10.) From time to time to regulate the affairs of the company abroad in such manner as they think fit and in particular to appoint any person to be the attorneys or agents of the company either abroad or in India with such powers including power to sub-delegate and upon such terms as may be thought fit.

11.) To invest and deal with any moneys of the company not immediately required for the purposes thereof upon such securities as they think fit.

12.) To execute in the name and on behalf of the company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the company such mortgages the company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, convenience and provisions as shall be agreed upon.

13.) To give to any person employed by the company a commission on the profits, of any particular business or transactions, or a share in the general profits of the company, and such commission or such share of profits shall be treated as part of the working expenses of the company.

14.) From time to time to make, vary and repeal bye-laws for the regulations or the business of the company, its officers and servants.

15.) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the company.

16.) To pay gratuities, bonus, rewards, presents and gifts to employees or dependents of any deceased employees to charitable institutions or purposes, to subscribe for provident funds and other associations for the benefit of the employees.

MANAGING DIRECTORS/WHOLE-TIME DIRECTORS

Appointment of Managing Directors/Whole Time Directors

55. a) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more persons to the office of the Managing Director or Managing Directors or whole time director(s).

b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or whole time Directors.

c) In the event of any vacancy arising in the office of a Managing Director or whole time Director. If the Directors resolve to increase the number of Managing Directors or whole time Directors, the vacancy shall be filled by the Board of Directors and the Managing Director or whole time Director so appointed shall hold the office for such period as the Board of Directors may fix and approved by the central Government.

d) If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be a Managing Director/whole time Director.

e) The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole time Director.

Powers and duties of managing director or wholetime director

56. The Managing Director / whole time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such objects, purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Directors /whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

Remuneration of managing directors/wholetime directors

57. Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Directors/whole time Directors shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the company in General Meeting may from time to time determine.

Business to be carried on by managing director/wholetime director

58. 1) The Managing Director/whole time Director shall have subject to the supervision control and discretions of the Board, the management of the whole of the business of the company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs and transactions of the company, except such powers and such duties as are required by law or by these presents to be exercised or done by the company in General Meeting or by the Board of Directors and also subject to such conditions or restrictions, imposed by the companies Act or by these presents.

2) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the company shall be carried on by the Managing Director/whole time Director and he shall have and exercise all the powers set out in Article 131 above, except those which are by the law or by these presents or by any resolution of the Board required to be done by the company in General Meeting or by the Board.

SECRETARY

59. The Board shall have power to appoint as the Secretary a person possessing the prescribed qualifications and fit in their opinion for the said office for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may, from time to time be delegated or entrusted to him by the Directors.

ANNUAL GENERAL MEETING

60. The company shall in addition to other meetings hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below:

a) The first Annual General Meeting of the company shall be held within eighteen months of its incorporation subject to Section 210 (3) of the Act.

b) Thereafter an annual general meeting of the company shall be held once in every calendar year within 6 months after the expiry of each financial year, subject, however, to the power of the Registrar of companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.

c) Every annual general meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated.

d) Notice calling such meetings shall specify them as the annual general meetings.

e) All other meetings shall be referred to as extraordinary general meeting.

EXTRA-ORDINARY GENERAL MEETINGS

61. The Board of Directors may, whenever think fit, convene an Extraordinary general meeting at such time and at such place as they deem fit. Subject to such directions, if any, given by the board, the Managing Director or the Secretary may convene an Extra-ordinary General Meeting.

Extra-ordinary general meeting by requisition

62. a) The Board of Directors shall on the requisition of such number of members of the company as is specified below proceed duly to call an Extra-ordinary General meeting of the company and comply with the provisions of the Act in relation to meetings on requisition.

b) The requisition shall set out matters for consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the company or send to the company by registered post addressed to the company at its registered office.

c) The requisition may consist of several documents like form, each signed by one or more requisitionists.

d) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of the depositor dispatch to the registered office of the requisition, not less than 1/10 the of such of the paid up capital of the company as at that date carries the right of voting in regard to the matter set out in requisition.

e) If the Board of Directors do not, within twenty-one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matters on a date not later than forty five days from the date of the deposit of the requisition the meeting may be called by the requisitionists themselves or such of the requisitionists as represent either majority in value of the paid up share capital held by ail of them or of not less than 1/10 the of such paid up capital of the company as is referred to in sub clause(d) above.

QUORUM

63. Five members personally present shall be a quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.

VOTING RIGHTS OF MEMBERS

64. 1) Every member holding any equity shares shall have a right to vote in respect, of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote. On a poll, his voting right in respect on his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.

2) In the event of the company issuing any preference shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

VOTING RIGHTS OF JOINT HOLDERS

65. In the case of joint holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy, shall be accepted to the exclusions of the votes of the other joint holders.

PROXY

66. On a poll, votes may be given either personally or by proxy.

67. Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he is a member be entitled to vote except on a poll.

Instrument of proxy

68. 1) The instrument appointing a proxy shall be in writing under the hand of the appointed or of his attorney duly authorized in writing, or if the appointed is a corporation either under the common seal or under the hand of an officer or attorney so authorized. Any person may act as proxy whether he is a member or not.

2) Corporate body (whether a Company within the meaning of the Act or not) may, if it is a member or a creditor or debenture holder of the Company, by the resolution of its Board of Directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting or any class of members of the Company or at any meeting of the creditors of the company held in pursuance of the provision contained in any Debenture or Trust Deed as the case may be. The person so authorize by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

3) So as an authorization under clause (2) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

Proxy to be deposited at the office

69. The instrument appointing a proxy and the power of attorney if any, under which it is signed or a notarised certified copy of that instrument or power of attorney, shall be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll in default of which the instrument of proxy shall not be treated as valid.

Validity of vote by proxy

70. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or the revocation proxy or of transfer of shares in respect of which the proxy is appointed provided no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the commencement of the meeting or adjourned meeting for which the proxy is appointed.

71. Every instrument appointing a proxy shall be retained by the company and shall be in either of the forms specified in Schedule IX of the Act or a form as near thereto as circumstances will admit.

ACCOUNTS

72. 1) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by company and the matters in respect of which such receipts and expenditure take place, of all sales and purchase of goods by the company, and of assets, credits and liabilities of the company.
- 2) If the company shall have a Branch office, whether in India or outside, proper books of account relating to the transacts effected at that office shall be kept at that office, and proper summarized returns, made upto date at intervals, of not more than three months, shall be sent by the Branch office to the company at its registered office or to such other place in India, as the Board thinks fit, where the main books of the company are kept.
- 3) All the aforesaid books shall give a fair and true view of the affairs of the company or of its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.
73. The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.
74. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts of books and documents of the company or any of them shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the company except as conferred by statute or authorised by the Directors or by a resolution of the company in the general meeting.

SECRECY

75. No member shall be entitled to inspect the Company's works without the permission of the Directors, or Managing Director, or to require discovery of on any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a secret, mystery of trade or secret process which may relate to the conduct of the business the company and which in the opinion of the Directors it will be inexpedient in the interest company to communicate to the public.
76. Every Director, Managing Director, Manger, Secretary, Auditor, Trustee, Members Committee, Officer, Servant, Agent, Accountant or other person employed in the business the Company, shall if so required by the Directors before entering upon his duties, or at time during his term of office, sign a declaration pledging himself to observe strict secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do the Directors or any general meeting or by a court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of provisions of these Articles or Law.

INDEMNITY AND RESPONSIBILITY

77. a) Subject to the provisions of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors out the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Direct-Director, Officer or Employee or in any way in the discharge of his duties.
- b) Subject to as aforesaid the Managing Director and every Director, Manager, Secretary, other officer or Employee of the Company shall be indemnified against any liability incurred by them or him defending any proceedings whether civil or criminal in which judgment given in their or his

favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

COMMON SEAL

78. The Board shall provide a common seal for the company and they shall have power from time to time to destroy the same substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the company and committed to the custody of the Managing Director or the Secretary if there is one.
79. The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee thereof and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by two Directors and by the Secretary or such other person as may from time to time be authorised the Board provided nevertheless that any instrument bearing the seal of the company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority to issue the same. The share certificate shall however be sealed and signed in accordance with the provisions of the companies (issue of share certificates) rules 1960.

AUDIT

80. Every Balance Sheet and the Profit and Loss Account shall be audited by one or more auditors to be appointed as hereinafter set out.

- 1) The first Auditor of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of first annual general meeting. Provided further that if the Board fails to appoint the First Auditor of the Company as required under this Article, the Company in General Meeting may appoint the first auditor or auditors.

- 2) The company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General meeting and every auditor so appointed shall be intimated of his appointment within seven days.

Provided that before the appointment or re-appointment of Auditor or Auditors is made by Company at any General Meeting a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made will be in accordance with the limits specified in sub-section I-B of the Section 224. Every Auditor so appointed shall within 30 days of the receipt from the Company of the intimation of his appointment inform the Registrar of Companies in writing that he had accepted or refused to accept the appointment.

- 3) The Director may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, where such a vacancy is caused by the resignation of the Auditor, the vacancy shall only be filled by the company General Meeting.

REMUNERATION TO THE AUDITORS

81. The remuneration of the Auditors shall be fixed by the Company in the General Meeting or in such manner as the Company in General Meeting may determine except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Board.

82. 1) All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

- 2) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and the Profit and Loss Account and on every offer document

declared by this Act to be part of or annexed to the Balance Sheet and the Profit and Loss Account which are laid by the Company in Annual General Meeting during his tenure of office, and the report shall state whether, in his opinion and to best of his information and according to the explanations given to him, the said accounts give the information by the Act in the manner so required and give a true and fair view.

3) The auditors report shall be read before the company in General Meeting and shall be opened to inspection by any member of the Company.

83. Every account of the Company when audited and approved by the members in a General Meeting shall be the final and conclusive account.

DIVIDENDS

84. a) The profits of the company, subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

b) Where capital is paid up on any shares in advance of calls, upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

Declaration of dividends

85. The company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

Interim Dividends

86. The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the company.

Dividends to be paid out of profits only

87. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

Reserve funds

88. 1) The Board may before recommending any dividends set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provisions for meeting contingencies or for equalising dividends and pending such applications 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 thinks fit.

2) The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as reserve.

Unclaimed dividend

89. 1) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called unpaid dividend account of "JAISHREE INDUSTRIES LIMITED Unpaid Dividend Account".

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

The Board shall forfeit no unclaimed or unpaid dividend.

90. No unclaimed dividend shall be forfeited by the Board of Directors and the company shall comply with all the provisions of the Section 205 A of the Act, in respect of unclaimed and unpaid dividend.

CAPITALISATION OF PROFITS

91. 1) The Company in General Meeting may on recommendation of the Board, resolve:

a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the company's reserve accounts or the credit of the profit and loss accounts are otherwise available for distribution; and

b) That such sum be accordingly set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

2) The amount aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) either in or towards:

- I) Paying up any amounts for the time being unpaid on shares held by such members respectively.
- II) Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid, or
- III) Partly in the way specified in sub-clause (I) and partly in that specified in sub-clause (II)

3) A share premium account and a capital redemption reserve account may, for the purpose of this regulation only, be applied in paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

4) The Board shall give effect to the resolutions passed by the company in pursuance of this regulation.

WINDING UP

92. Subject to the provisions of the Act as to preferential payments the assets of the Company shall on its winding up, be applied in satisfaction of its liabilities pari-passu and, subject such application shall be distributed among the members according to their rights and interest in the Company.

93. If the company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories in specie or kind any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under the division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the proceeds and the liquidators shall, if practicable, act accordingly.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Andhra Pradesh at Hyderabad for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office/corporate office of our Company from 10.00 am to 4.00 pm on working days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Memorandum of Understanding dated March 08, 2011, entered between our Company and Ashika Capital Limited, the Book Running Lead Manager to the Issue
2. Memorandum of Understanding between our Company and Karvy Computershare Pvt. Ltd. Registrar to the Issue, dated November 09, 2010
3. Tripartite Agreement dated March 04, 2011 between NSDL, our Company and the Registrar to the Issue
4. Tripartite Agreement dated January 27, 2011 between CDSL, our Company and the Registrar to the Issue
5. Escrow Agreement dated [●] between our Company, the BRLM, the Escrow Banks, The Syndicate Member(s) and the Registrar to the Issue
6. Syndicate Agreement dated [●] between our Company, the BRLM and the Syndicate Members
7. Underwriting Agreement dated [●] between our Company, the BRLM and Syndicate Members

Material Documents

1. Copy of Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Copy of Certification of Incorporation of Jaishree Industries Limited.
3. Copy of Special Resolution passed under section 81 (1A) of the Companies Act, 1956 at their Extraordinary General Meeting held on November 19, 2010 authorizing present issue of equity shares.
4. Copy of the resolution passed by members in their meeting held on November 19, 2010 giving authority to the Board of Directors to borrow under Section 293 (1)(d) of the Companies Act, 1956.
5. Copies of annual reports of our Company for the financial years ending on March 31, 2006, 2007, 2008, 2009 and 2010 and half year ending on September 30, 2010.
6. Report of R. Mahajan & Associates, Chartered Accountants (Peer Review Auditor) dated January 28, 2011 for Restated Financials of our company as mentioned in the DRHP.
7. Copy of certificate dated January 25, 2011 issued by U. K. Kamath & Associates, Statutory Auditors of our Company regarding tax benefits accruing to our Company and its shareholders.
8. Copies of the Undertaking from Jaishree Industries Limited.
9. Consents of Auditors, Bankers to our Company, BRLM, Syndicate Members, Registrar to the Issue, Domestic Legal Counsel to the Company, Directors of our Company, Company Secretary and Compliance Officer, Escrow Collecting Banks as referred to, in their respective capacities.
10. Copy of certificate dated March 03, 2011 received from U. K. Kamath & Associates, Statutory Auditors of our Company regarding sources and deployment of funds.
11. Copy of resolution passed at the meeting of Board of Directors held on March 21, 2011 for approving this DRHP.
12. Copies of In-principle approval received from BSE vide their letter no. [●] Dated [●] and NSE vide their letter no. [●] Dated [●].
13. Due diligence certificate dated March 14, 2011 to SEBI from the BRLM.
14. IPO Grading Report dated [●] from [●];

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines or regulations issued, as the case may be. All the said legal requirements connected with this issue as also the guidelines, instruction etc, issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with.

We, the Directors of Jaishree Industries Ltd, hereby declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the Equity Shares issued in terms of this Prospectus has been suppressed/ withheld and/ or incorporated in the manner that would amount to misstatement/ misrepresentation. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Shyam Sunder Maheshwari
Chairman & Managing Director

Mrs. Asha Devi Maheshwari
Director

Mr. Vaibhav Maheshwari
Whole Time Director

Mr. Sandeep Bhardwaj
Independent Director

Mr. Kailash Chand Agrawal
Independent Director

Mr. Sanjay Mantri
Independent Director

Signed by the Company Secretary and Compliance Officer

Mr. Abhinav Leekha

Place: Delhi

Date: March 21, 2011