



DRAFT RED HERRING PROSPECTUS

Please read Section 60B of the Companies Act, 1956

Dated [●]

(This DRHP will be updated upon RoC filing)

100% Book Built Issue

RAJ OIL MILLS LIMITED

(Incorporated as Raj Oil Mills Limited on October 17, 2001 in Mumbai under the Companies Act, 1956 vide Registration no. 11 - 133714 (CIN: U15142MH2001PLC133714) and received Certificate of Commencement of Business on November 6, 2001. The Registered Office of our Company was shifted from Military Road, Marol, Andheri (East), Mumbai - 400 059 to 224 - 230, Bellasis Road, Mumbai - 400 008 w.e.f. March 5, 2005)

REGISTERED OFFICE: 224 - 230, Bellasis Road, Mumbai (Maharashtra) - 400 008, India

Tel. no: + 91 - 22 - 2302 1996 - 98, Fax. no.: + 91 - 22 - 2301 5605, Website: www.rajoilmillsltd.com

E-mail: ipo@rajoilmillsltd.com, Contact Person: Mr. Alok Desai, Company Secretary & Compliance Officer

PUBLIC ISSUE OF 1,10,00,000 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LACS (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE 30.55% OF THE FULLY DILUTED POST-ISSUE PAID UP CAPITAL OF OUR COMPANY.

*Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.

THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAPPRICE IS [●] TIMES THE FACE VALUE

In case of revision in the Price Band, the Bidding Period will be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, shall be widely disseminated by notification to Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the Equity Shares of our Company are proposed to be listed and whose online IPO systems will be available for bidding, by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and the terminals of the Syndicate Member.

This Issue is being made through the 100% book building process wherein not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face Value of the shares is Rs. 10 and the Issue Price is [●] times of the Face Value. The Price Band (as determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" starting from page no. [●] 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 our Company and this Issue, which is material in the context of this Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

This Issue has been graded by ICRA Limited as [●], indicating [●] through its letter dated [●]. For details, please refer to the section titled "General Information" starting from page no. [●] and the section titled "Material Contracts and Documents for Inspection" starting from page no. [●] of this Draft Red Herring Prospectus.

LISTING

The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Our Company has received in-principle approvals from BSE and NSE vide their letters dated [●] and [●] respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

BOOK RUNNING LEAD MANAGER



Karvy Investor Services Limited

"Karvy House", 46, Avenue 4, Street No. 1,

Banjara Hills, Hyderabad (Andhra Pradesh) - 500 034

Tel. no.: +91 - 40 - 2331 2454, 2342 8774

Fax no.: +91 - 40 - 2337 4714

Email: cmg@karvy.com

Website: www.karvy.com

Contact Person: Mr. Ajesh Dalal / Mr. M. P. Naidu

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,

Andheri (East), Mumbai (Maharashtra) - 400 072

Tel no.: +91 - 22 - 4043 0200

Fax no.: +91 - 22 - 2847 5207

Email : iporaj@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Prakash Khare

ISSUE PROGRAM

BID/ISSUE OPENS ON : [●]

BID/ISSUE CLOSES ON : [●]

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SECTION I – DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL/GENERAL TERMS

Terms	Description
“Our Company” or “Company” or “Raj Oil Mills Limited” or “ROML” or “we” or “our” or “us” or “Issuer”	Unless the context otherwise requires these words refer to Raj Oil Mills Limited, a company incorporated under the Companies Act, 1956

A. CONVENTIONAL/ GENERAL TERMS

Term	Description
Act/ Companies Act/ the Act	The Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed thereunder
FI	Financial Institutions
Financial Year/ Fiscal/ FY	The twelve months ended December 31 of that particular year
I.T. Act	The Income Tax Act, 1961, as amended from time to time except as stated otherwise
Mn/mn	Million
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 & Loss account, divided by number of issued Equity Shares
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company or partnership or society or other corporate body owned directly or indirectly to the extent of at least 60% by NRI's and overseas trust, in which not less than 60% of beneficial interest is irrevocably held by NRI's directly or indirectly as defined in Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
RBI	The Reserve Bank of India
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI	Securities and Exchange Board of India

SEBI Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000 as amended from time to time
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B. ISSUE RELATED TERMS

Term	Description
Allotment	Issue of Equity Shares of our Company pursuant to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are being issued
Bankers to the Issue	The Bankers with whom the Escrow Account for this Issue shall be opened
Bid	An indication to make an offer made during the Bidding Period by a prospective investor to subscribe to Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Banker(s) to the Issue	[●]
Bid Price/ 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 this Issue
Bid / Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for this Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe Equity Shares of our Company and which will be considered as the application for allotment of the Equity Shares in terms of this Draft Red Herring Prospectus
Bid / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for this Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
BRLM	Book Running Lead Manager to the Issue, in this case being Karvy Investor Services Limited
BRLMs	Jointly Book Running Lead Manager to the Issue, in this case being Karvy Investor Services Limited and Co-Book Running Lead Manager to the Issue, in this case being India Capital Markets Private Limited
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made
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 finalised and above which no bids will be accepted
Co-BRLM	Co-Book Running Lead Manager to the Issue, in this case being India Capital Markets Private Limited
Cut-off	Cut-off price refers to any price within the Price Band. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price Band
Designated Stock Exchange	Bombay Stock Exchange Limited
Designated Date	The date on which the funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which our Board of Directors shall allot Equity Shares to successful bidders
DP ID	Depository Participant's Identity
Eligible NRI(s)	NRI(s) from jurisdiction outside India where it is not unlawful to make an issue or invitation under this Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares allotted herein
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10 each unless otherwise specified in the context thereof

Equity Shareholders	Persons holding Equity Shares of our Company unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a bid and the Allocation Amount paid thereafter
Escrow Agreement	Agreement entered into amongst our Company, the Registrar, the Escrow Collection Bank(s) and the BRLMs for collection of the Bid Amounts and refunds of the amounts collected to the Bidders, if any
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as Banker to the issue with whom the Escrow Account for this Issue will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted
Fresh Issue	This Issue of 1,10,00,000 new Equity Shares of Face Value of Rs. 10 each at the Issue Price by our Company in terms of this Draft Red Herring Prospectus
Issue or Public Issue or Offer	Public Issue by our Company of 1,10,00,000 Equity Shares of Face Value of Rs. 10 each for cash at a price of Rs. [●] aggregating Rs. [●] lacs. Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.
Issue Size	1,10,00,000 Equity Shares of Face Value of Rs. 10 of our Company, if the Pre-IPO Placement is completed, this Issue Size would be reduced to the extent of the Pre-IPO Placement
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of this Draft Red Herring Prospectus, as determined by our Company in consultation with the BRLMs, on the Pricing Date
Issue Proceeds	The proceeds of this Issue that is available to our Company
Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date and inclusive of both these days
Karvy/ Karvy Investor Services Limited	Karvy Investor Services Limited, a company incorporated under the Companies Act and having its registered office at “Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad (Andhra Pradesh) - 500 034
Margin Amount	The amount paid by the Bidder at the time of submission of its Bid, being 10% to 100% of the Bid Amount
MICR	Magnetic Ink Character Recognition
Mutual Funds/MFs	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 as amended
Mutual Fund Portion	That portion of this Issue, being 5% of the QIB Portion or 2,75,000 Equity Shares available for allocation to Mutual Funds out of the QIB Portion
Net Issue/ Net Issue to the Public	The Issue size as adjusted for Pre-IPO Placement, if any
Net Proceeds	The Issue proceeds less the Issue expenses, for further information about use of the issue proceeds and the issue expenses please refer to the section titled “Objects of the Issue” starting from page no. [●] of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders
Non-Institutional Portion	The portion of this Issue being a minimum of 16,50,000 Equity Shares of Face Value of Rs. 10 each available for allocation to Non-Institutional Bidders
NRI/ Non Resident Indian	A person resident outside India, as defined in FEMA and who is a citizen of

	India or a Person of Indian Origin, under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Pay-in-date	Bid/ Issue Closing date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% margin money at the time of bidding, as applicable
Pay-in-Period	With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date or with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the closure of the Pay-in-Date as specified in the CAN
Pre-IPO Placement	Pre-IPO Placement of the Equity Shares of our Company prior to this Issue, if any which is being considered. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 25% of the post Issue capital being offered to the public. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with the RoC.
Price Band	Being the Price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revision thereof
Pricing Date	The date on which our Company in consultation with the BRLMs finalises the Issue Price
Prospectus	The Prospectus, filed with the ROC containing inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of this Issue and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyer(s)/ QIB(s)	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory And Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 2,500 lacs and Pension Funds with a minimum corpus of Rs. 2,500 lacs and the National Investment Fund
QIB Portion	The portion of this Issue being 55,00,000 Equity Shares of Rs. 10 each available for allocation to QIBs
Red Herring Prospectus/ RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC atleast 3 days before the Bid/ Issue opening date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made
Refund through electronic transfer of funds	Refunds through electronic transfer of funds mean refunds through ECS, Direct Credit, RTGS or NEFT as applicable
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount in excess of Rs. 1,00,000 in any of the bidding options in this Issue
Retail Portion	The portion of this Issue being a minimum of 38,50,000 Equity Shares of Face Value of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Registrar to the Issue	Registrar to this Issue, in this case being Bigshare Services Private Limited
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)
RoC	The Registrar of Companies, Maharashtra, Mumbai at 100, Everest Building,

	New Marine Lines, Mumbai - 400 002
Stock Exchanges	BSE and NSE
Syndicate Agreement	The agreement to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters, in this case being [●]
Syndicate	BRLMs and the Syndicate Members collectively
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as a proof of registration of the Bid
Underwriters	The BRLMs and/or Syndicate Members
Underwriting Agreement	The agreement among the Syndicate members and our Company to be entered into on or after the Pricing Date

C. COMPANY / INDUSTRY RELATED TERMS

Term	Description
Articles/ Articles of Association	Articles of Association of Raj Oil Mills Limited
Auditors	M/s. M. K. Gohel & Associates, Chartered Accountants
Board/ Board of Directors/ Directors	Board of Directors of Raj Oil Mills Limited or a committee thereof
Castor Oil	Vegetable Oil obtained from the Castor seed
Committee	Committee of the Board of Directors of Raj Oil Mills Limited authorized to take decisions on matters related to / incidental to this Issue
Cottonseed Oil	A vegetable oil, extracted from the Cotton seeds
Degumming	Process of removal of phosphatides and other limy materials in Crude oil
Dehulling	Process of cracking Soyabeans and removing the hull
Deodorizing	Process of removing impurities which impart objectionable odours or flavour to the oil
De-oiled Cake	A by product, substance obtained after the extraction of oil from seeds
Director(s)	Director(s) of Raj Oils Mills Limited, Unless otherwise Specified
Equity Shares	Equity Shares of our Company of Face Value of Rs 10 each unless otherwise specified in the context thereof
Equity Shareholders	Persons holding Equity Shares of our Company unless otherwise specified in the context thereof
ETP	Effluent Treatment Plant
Groundnut Oil	Another name for Peanut Oil extracted from Peanuts
Jaipur Unit	Our unit proposed to be set up at F 9 & F 10, RIICO Industrial Area, Bagru, Kalan Extension, Phase II, district Jaipur, state Rajasthan
Key Managerial Personnel	Those individuals described in section titled “Key Managerial Personnel” starting from page no. [●] of this Draft Red Herring Prospectus
Manor Unit	The unit situated at village Ten, Manor, taluka Palghar, district Thane, state Maharashtra
Memorandum of Association	The Memorandum of Association of our Company
Mustard Oil	Oil produced from Mustard seed
Promoter	Mr. Shaukat S. Tharadra
Promoter Group	Mrs. Shahida S. Tharadra (wife of Mr. Shaukat S. Tharadra)
Registered Office of our Company	224 – 230, Bellasis Road, Mumbai - 400 008
RIICO	Rajasthan State Industrial Development & Investment Corporation Limited
SEA	Solvent Extractors’ Association of India
Sesame Oil	Also known as Til Oil, derived from Sesame seeds

Soya Meal	A substance obtained after the extraction of oil from Soya seeds
Soyabean Oil	Widely used Vegetable oil, extracted from Soybean seeds

D. ABBREVIATIONS

Abbreviation	Full Form
A/c.	Account
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BPLR	Bank Prime Lending Rate
BSE	Bombay Stock Exchange Limited
Bn	Billion
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
D/E Ratio	Debt Equity Ratio
DP	Depository Participant
DPID	Depository Participant Identification
EBITDA	Earning Before Interest Tax Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESI Act	The Employees State Insurance Act, 1948, as amended
Euro/ €	Currency of European Union
Factories Act	The Factories Act, 1948 as amended
FCNR/FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and regulations framed there under
FII(s)	Foreign Institutional Investor(s) as defined under FEMA (Transfer or Issue of Security by a person Resident outside India) Regulations 2000, registered with SEBI
FI(s)	Financial Institution(s)
FVCI(s)	Foreign Venture Capital Investor(s) registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY/ Fiscal	Financial Year ending December 31
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registration Number
Gratuity Act	The Payment of Gratuity Act, 1972, as amended
GoI	Government of India
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended
I.T. Rules	The Income Tax Rules, 1962, as amended
INR/ Rs.	Indian National Rupee
IPO	Initial Public Offering
MAT	Minimum Alternate Tax

MT	Metric Tonne
N/A or n/a.	Not Applicable
no.	Number
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
PA./ p.a.	Per Annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PET	Polyethylene Terephthalate
QIB(s)	Qualified Institutional Buyer(s)
R & D	Research and Development
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI (SAST) Regulations, 1997	Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997
Sec.	Section
SIA	Secretariat for Industrial Assistance
TPD	Tonnes Per Day
TPA	Tonnes Per Annum
u/s.	Under Section
US	United States of America
USD or \$ or US \$	United States Dollar
w.e.f.	With effect from
WTO	World Trade Organization

SECTION II – RISK FACTORS

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 the strategies, objectives, plans or goals of our Company are also forward-looking statements.

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

- Growth of unorganized sector and threat from local regional players
- Change in freight and forwarding charges
- General economic and business conditions;
- Our Company’s ability to successfully implement our growth strategy;
- Prices of raw materials we consume and the products we manufacture;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceedings in which our Company is involved; and
- The loss or shutdown of operations of our Company at any time due to strike or labour unrest or any other reason.
- Withdrawal of any tax benefits available to our Company

For further discussion of factors that could cause actual results of our Company to differ, please refer to the section titled “Risk Factors” beginning on page no. [●] of this Draft Red Herring Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed may be due to rounding-off.

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the financial statements of our Company prepared and restated in accordance with Indian GAAP, included in this Draft Red Herring Prospectus. Our financial year commences on January 1 and ends on December 31 of the year. Accordingly, all references to a particular financial year are to the twelve-month period ended on December 31 of that year, unless otherwise specified.

Further, there are significant differences between Indian GAAP and US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and our Company urges 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 on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

In this Draft Red Herring Prospectus, references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word "lacs" means "one hundred thousand" and the word "million" means "ten lacs" and the word "Crore" means "ten million". Throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees lacs, unless otherwise stated.

Industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes 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 our Company to be reliable, have not been verified by any independent sources.

For additional definitions, please refer to the section titled 'Definitions and Abbreviations' starting from page no. [●] of this Draft Red Herring Prospectus. In the section titled 'Main Provisions of the Articles of Association of our Company' beginning on page no. [●] of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making any investment decision relating to the Equity Shares.

If any of the following risks actually occur, our business, results of operations, financial condition and prospects could suffer and the market price of our Equity Shares could decline.

Prior to making an investment decision, prospective investors should carefully consider all the information contained in this Draft Red Herring Prospectus, including the restated financial statements included in this Draft Red Herring Prospectus starting from page no. [●]. The financial data in this section is as per our Company's restated financial statements prepared in accordance with Indian GAAP.

Note: Unless specified or otherwise stated in the relevant risk factors set forth below, our Company is not in a position to quantify the financial or other implications of any risks mentioned in this section.

Materiality

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

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

The risk factors are as envisaged by the management.. Wherever possible, the financial impact of the risk factors has been quantified.

A. INTERNAL RISK FACTORS

i) Risk related to our Company

1. Our Company is involved in certain legal proceedings.

Our Company is involved in certain legal proceedings and claims in relation to criminal, civil and taxation matters incidental to our business and operations. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and quasi judicial authorities. If any new developments arise, such as a change in Indian law or rulings against us by trial or appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. Any adverse decision in these cases may have a significant effect on our business and results of operations. A classification of the legal proceedings instituted against our Company.

a. Criminal Litigation

- i. Mr. S. K. Shere, Food Inspector attached to the Food and Drug Administrator has filed a criminal case against our Company u/s. 2(ia), (a) and 2(ia)(m) of the Prevention of Food Adulteration Act, 1954 and section 7(v) read with Rule 44[e] of Prevention of Food Adulteration Rules, 1955 and the matter is pending on the file of the learned Judicial Magistrate First Class (JMFC) - Court at Palghar bearing Criminal Case No. 115/2007 and Criminal Case No. 212/2007. The matters are filed under Section 13(2) of the Prevention of Food Adulteration Act, 1954.

In the said matters Mr. G. S. Mire, Public Analyst appointed as per provision of Prevention of Food Adulteration Act, 1954, took samples of Mustard Oil (Mustraj) from Mr. R. U. Jadhav, Food Inspector and having inspected/ analyzed the said sample presented his report and gave an opinion that it does not conform as per the standards of Mustard Oil as per Prevention of Food Adulteration Rules, 1955. Both these reports are dated July 26, 2006. The present status is that of "Framing of Charge". The amount involved cannot be quantified in both the cases.

- ii. Mr. V. B. Shyamkul, Food Inspector attached to the Head Office at Bandra Kurla Complex, has filed a criminal case against us in the Court of the Metropolitan Magistrate 46th Court at Mazgaon bearing no. 146/SS/05. The same is filed under section 7[1] read with section 2(ia),(a) and 2(ia)(m) of Prevention of Food and Adulteration Act, 1954 and Section 7(v) read with Rule 44(e) of the Prevention of Food Adulteration Rules, 1955.

In the said matter, the charges levied are for storing and selling adulterated food article i.e. Refined Sunflower Oil. On October 21, 2002, Mr. M. S. Apte, Food Inspector conducted a search and carried a sample for the said refined Sunflower Oil (Suraj) for inspection and analysis. The said Food Inspector issued notice under Section 14 A of the said Act and sent the sample to State Public Health Laboratory, Pune for analysis. On December 20, 2002, Mr. M. S. Apte, Food Inspector, received Analyst Report No. 1029/B/9864-B, dated November 28, 2002. The report opined that the sample of Refined Sunflower Oil (Suraj) contained Linoleic Acid, which is not found in Sunflower Oil, hence it is an admixture of oils, which is in contravention of Rule 44 (e) of PFA Rules, 1955. The matter stands adjourned to June 26, 2008. The amount involved cannot be quantified.

b. Civil Litigation

Marico Limited filed a suit bearing no. 2961 of 2006 against our Company as they learnt that our Company is using a bottle cap having similar design to that of Parachute bottle. Marico Limited claims that they have registered and have acquired a copyright for the said design.

Marico Limited filed a Notice of Motion in the said suit for urgent ad-interim relief with a prayer that our Company be restrained from further infringing their registered cap. The said Notice of Motion was heard and the learned single judge refused/ rejected the prayer for urgent ad-interim relief. Being aggrieved by this Order, Marico Limited preferred an appeal against the said Order. The said appeal (Appeal no. 418 of 2007) was heard at length at the admission stage by their Lordship the Hon'ble Justices Dr. S. Radhakrishnan and Mr. Anoop Mohta J. The judgment was reserved on January 18, 2008 and pronounced on February 20, 2008. It was held "that the reasoning given by the learned single judge are reversed and quashed and set aside and the order of dismissal of Notice of Motion is maintained. The appeal stands disposed off accordingly." The case for our Company to be restrained from further infringing their registered cap is still pending.

c. Tax Litigation

- A. For the Assessment Year 2003 - 04, the Deputy Commissioner of Income Tax passed an order dated January 30, 2006 whereby it determined the total loss of our Company at Rs 138.07 lacs against loss of Rs 258.63 lacs declared by our Company. Our Company had filed an appeal before the Hon'ble Commissioner of Income Tax - Appeals to set aside this order. The said appeal was decided against our Company vide order dated June 18, 2007 and thereafter, we challenged the said order of appeal before the Income Tax Appellant Tribunal. The case is still pending for hearing.
- B. Regarding the Assessment Year 2005 - 06, the Deputy Commissioner of Income Tax passed an order dated December 26, 2007 u/s. 143(3) whereby he assessed our Income at Rs. 65.40 lacs u/s. 115 JB as against the returned income of Rs. 64.76 lacs and raised a demand of Rs. 0.62 lac. Our Company has filed an appeal before the Hon'ble Commissioner of Income Tax- Appeals against the said order. Our Company before filing of the aforementioned appeal on January 1, 2008 paid the amount of Rs. 0.62 lac. The case is still pending for hearing.

For more information regarding above mentioned cases against our Company, please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page no. [●] of this Draft Red Herring Prospectus.

2. Contingent Liabilities as on December 31, 2007 that could adversely affect our financial condition.

- a. As per the decision of the management, no leave accumulation by employees is allowed hence no Provision has been made for leave outstanding as on the balance sheet date.
- b. The company has given corporate guarantee to the extent of Rs. 750 Lacs (Rs. 750 Lacs) in respect of loan taken by farmers / VLC from Axis Bank Ltd (erstwhile UTI Bank Ltd.) vide original Bank's sanction letter no. UTIB / 10705 / 2005-06 Dated 7th December 2005. The company will be liable to repay the said loan in case of failure by the farmer to repay the loan to the extent of guarantee given by the company. The said guarantee was revoked on 29th January 2008 and was confirmed by Axis Bank Limited.
- c. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 477.48 Lacs (Nil).
- d. During the year the Income Tax Department conducted a survey on 12th December 2007. The company has accepted the capital expenditure of Rs. 245.00 Lacs, being wrongly shown as book-debts in the books of accounts and accepted to rectify the same in the current year. The department is of the opinion that the same is unaccounted expenditure and added to the income of current year. The management is of the opinion that said addition is not likely to affect the income of the current year.

3. Our growth strategy to expand carries high risk.

Our Company is engaged in the business of Crushing and Oil Filtration. At present our Company has a capacity of 5,000 TPA of Crushing and 30,000 TPA of Oil Filtration at Manor, district Thane. Through the proceeds of this Issue, we are planning to setup 60,000 TPA of Crushing unit, 60,000 TPA of Refinery, 30,000 TPA of Palm Fractionation, 15,000 TPA of Vanaspati Ghee and 1,500 TPA of Ayurvedic and Cosmetic unit at Manor, district Thane. We have also planned to set up 60,000 TPA of Crushing at Bagru, district Jaipur. Our management has no past experience of either carrying out such major projects or managing such scale of business and operations. Our proposed expansion as well as these new businesses would require additional management time, substantial financial and other resources and our inability to manage such scale of expansion effectively or to ensure the continued adequacy of our current systems may have a material adverse effect on our overall business.

Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. If market conditions change or if operations do not generate sufficient funds or not remain viable or for any other reasons, we may decide to delay, modify or forego some of our growth strategies, which may adversely affect our financial position.

4. Our Promoter and/or Promoter Group may have a conflict of interest as some of our Promoter Group entities were in the same line of business.

Our Promoter and/or Promoter Group have disassociated in last one year from some of entities engaged in the similar line of business as that of our Company. In future, our Promoter or Promoter Group may include or start other entities having businesses similar to that of our Company. This may result in conflict of interest with respect to business strategies of our Company. For further information on Promoter group companies/entities, please refer to the section titled “Group Entities” beginning on page no. [●] of this Draft Red Herring Prospectus.

5. Non existence of any non Compete Agreement with our Promoter group entities carries high risk.

Our Company acquired the running business of M/s. Raj Oil Mills, partnership firm of our Promoter (exclusive of Land & Building and intangible property in the form of Brands, Trademarks and Copyrights) vide Deed of Assignment w. e. f. April 1, 2002 at a consideration of Rs. 75 lacs. This Agreement does not cover any non compete clause or our Company has not signed any separate non compete clause with our Promoter and/or M/s. Raj Oil Mills, partnership firm of our Promoter or with any other Promoter group entities. In future, our Promoter or Promoter Group may associate with or include or start other entities having businesses similar to that of our Company. This may result in conflict of interest with respect to business strategies of our Company.

6. Our rental agreements are not registered and may result in our Company being subject to penalty

Our Company has taken on rent a property from our promoter vide the sub-tenancy agreement dated October 1, 2007 situated at Avval Mansion 222 to 240 Bellasis Road, Mumbai – 400 008 which also includes our Registered Office. The said premise is owned by M/s. Raj Builders, a Partnership firm in which our promoter is one of the Partners. Our Company has also taken another property on rent situated at Jampabar, Nani Daman, district Daman vide the agreement dated March 1, 2008 owned by M/s. Sunnat Jamat Shahi Masjid Society which we use as a sales office. Both these agreements are not registered. Our Company may be penalized under the provisions of Registration Act, 1908 for non-compliance of such provisions.

7. Our Company has entered into certain related party transactions. If these transactions are not on arms length or commercial basis, it could adversely affect our results of operations.

Our Company has entered certain transactions with our Promoter and Promoter Group. We cannot assure whether these transactions have been conducted on an arms length basis. For more information, please refer to sub-section titled “Related Party Transactions” under the section titled “Financial Statements” on page no. [●] of this Draft Red Herring Prospectus.

8. The qualification given by Statutory Auditors in the Financial Year 2007, not complied as on date, carries a risk.

Our Statutory Auditors - M/s. M. K. Gohel & Co., Chartered Accountants has qualified in his Audit Report for the Financial Year ended December 31, 2007. As per their qualification, our Company does not have an internal audit system commensurate with the nature of our business. As on date we have not complied with this qualification.

ii) Risk related to our Business

9. Our business is dependant on the availability/supply and cost of raw materials. Any significant increase in the prices or decrease in the availability of these raw materials may adversely affect our results of operations.

Our main raw materials are namely Copra, Til Seeds, Mustard Seeds, Groundnut Seeds, Cotton Seeds, Sunflower Seeds and Crude oil etc. These raw materials form a significant portion of our total expenses. As on date we do not have any long term tie up or agreements for supply of these raw materials. Any decrease in the availability of these raw materials for whatever reason, including climatic change, could adversely affect our sales and profitability. Further, any price volatility of these raw materials and our inability to adjust to the same could adversely affect our results of operations and profitability.

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

Our Company neither have any long-term contract with any of our buyers/ distributors nor any marketing tie up for our products with any of retail chain operators etc. Any change in the buying pattern of our end users 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.

11. Our inability to maintain distribution network can adversely affect our Revenues.

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

12. Our Company currently enjoy certain benefits, which may not be available to us in the future.

Our Company being part of edible oil industry enjoys Excise Duty exemptions. If there is any change in Government policies or removal of this benefit in the future, it may adversely affect our results of operations and profitability.

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

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

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

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

15. The shortage or non-availability of power and fuel may adversely affect the manufacturing processes and our performance may be affected adversely.

The manufacturing processes of our Company require substantial amount of power and fuel. Our manufacturing facilities may face power interruptions due to power cuts and as a result our operations or financial condition may be adversely affected. The shortage of electricity supply may increase our dependency on the usage of DG sets. The same can increase our cost of power and may have an adverse impact on our profitability.

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

Our success also depends on our ability to continue developing new products as well as improving the quality of our existing products. We cannot assure that our research and development department will be successful in developing new and better products as per changing market conditions and/or requirement of our end users, which may adversely affect our business. Further, the new innovations, if any, are subject to certain inherent threats like piracy and/or theft, other competitors developing relevant technologies/ innovations before us due to which our costs and efforts go waste etc. There can be no assurance that a new product will be commercially successful. If research and development department efforts do not result in a pipeline of products that can be commercially exploited, our results of operations and financial condition may be adversely affected.

17. Our products are edible items and any dispute with consumers, regarding the quality of our products, may adversely affect the image and reputation of our Company.

Our operations of Crushing and Refining of edible oil involve several complex processes like degumming, neutralizing, bleaching, and deodorizing which involve use of various hazardous chemicals. Any occurrence of any accident and/ or negligence and/ or oversight in the process may lead to non - compliance of quality standards as applicable to our products. Any of those non complied products, if being sold in the market, may be harmful to the health and well being of our end users. Occurrence of any such event may expose our Company to liabilities and claims which could adversely affect the brand image and reputation of our Company and our future growth, operations and profitability may be adversely affected.

18. Technological obsolescence may result in our operation as unviable or may require capital investments which may have an adverse effect on our performance.

Any changes in technology may render our existing Plant & Machineries or even our proposed Plant & Machineries obsolete or we may have to incur substantial capital investment to upgrade our Plant & Machineries, which may adversely affect the performance of our Company.

19. Our Company's insurance coverage may not be adequate to protect us against all material hazards.

Our Company has covered itself against certain risks. In case of any casualty, there can be no assurance that any claim under the insurance policies obtained by our Company will be honoured fully/ in part on time. Further, our Company may not have obtained or may not timely renew insurance cover for any of our asset that does not expressly require us to maintain insurance. To the extent that if we suffer losses or damages not adequately covered, the same shall devolve on our Company resulting in operations and financial performance being adversely affected.

iii) Risks related to our projects

20. Our Company has not applied for some of the licenses and approvals for our proposed projects. Any delay in making an application or non-receipt of certain regulatory approvals may delay our proposed projects which would adversely affect our growth plans.

Our Company is yet to obtain various licenses and approvals as required for setting up new capacities for Refining, Crushing, Palm Fractionation, Vanaspati Ghee and Ayurvedic and Cosmetic at Manor, district Thane and Crushing unit at Bagru, district Jaipur. As on date of filing this Draft Red Herring Prospectus, we have not applied for some of the licenses and approvals. Any delay in making an application or receipt of such licenses and approvals may adversely affect the implementation of the said projects and can delay the commencement of production from said projects. This may affect our operations and profitability. For details of various licenses and approvals yet to apply, please refer to the section titled "Government/ Statutory and Business Approvals" beginning on page no. [●] of this Draft Red Herring Prospectus.

21. Our proposed projects have not been appraised.

Our proposed projects have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this Issue, as specified in the section titled “Objects of the Issue” starting at page no. [●] are based on our management’s estimates and deployment of these funds is at the discretion of our management and our Board of Directors. In case, our estimates are not adequate, we may have to incur additional cost for the same. This may increase cost of our projects and may adversely affect our operations and profitability.

22. Our Company is yet to place orders for substantial part of Plant & Machineries as specified in the Objects of the Issue. Any delay in procuring the said machineries may impact the implementation schedule and the cost thereof.

Our Company is yet to place orders for substantial part of Plant & Machineries for the proposed projects. Any delay in placement of such orders may adversely affect the implementation of the said projects and can delay the commencement of commercial production of these projects, thereby adversely affecting our operations and profitability.

23. Our proposed expansion plans are financially dependent on the Issue proceeds.

Our proposed expansion plans are mainly dependent on the proceeds of this Issue. We have not arranged for any alternate source of funding the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

24. Our Company has not yet tied-up for debt component for enhanced working capital needs on account of proposed expansion; any delay in arranging the same may have an adverse impact on the results of our operations.

Our Company will approach banks and financial institutions to arrange for the enhanced working capital needs at the appropriate time. Any delay in arranging the same may adversely affect our operations and profitability.

25. No Monitoring Agency has been appointed for monitoring the utilisation of Issue proceeds by our Company.

Our Company has not appointed any monitoring agency to monitor the utilisation of the proceeds of the present issue. The monitoring would be done by the Audit Committee.

iv) Other Incidental Risks

26. Our Company has made the applications for renewal of the following Trade Marks and the same are pending.

Sr. No	Registration No.	Brand Name	Class	Date of Registration	Validity
1	886578	COCORAJ LITE (WORD).	3	15-Nov-1999	Appl.
2	549767	COCORAJ BLUE (LABEL).	29	25-Apr-1991	Appl.
3	1111086	GUINEA (WORD IN GUJARATI).	29	12-Jun-2002	Appl.
4	991707	RAJ BRAND (WORD).	29	22-Feb-2001	Appl.
5	991708	RAJ BRAND (LABEL).	29	22-Feb-2001	Appl.
6	899133	COCORAJ TOTAL (WORD).	3	21-Jan-2000	Appl.
7	944033	COCORAJINDIA.COM	9	31-Jul-2000	Appl.
8	808952	PALMRAJ	29	06-Jun-1998	Appl.

9	1053937	SOYARAJ	29	20-Oct-2001	Appl.
10	811058	GUINEARAJ (LABEL).	29		Appl.
11	826049	GUINEA	29	05-Nov-1998	Appl.
12	826051	GUINEA BRAND	29	05-Nov-1998	Appl.

27. Allotment of Shares in Previous One year, may be at a price lower than the Issue Price.

Our Company has made an allotment of 1,58,25,100 Equity Shares during past one year to our Promoter which may be lower than the Issue price in proposed Issue, for further details, please refer to the section titled “Share Capital History of our Company” on page no. [●] of this Draft Red Herring Prospectus.

28. Our Company is dependent on third party transportation providers for the supply of raw materials and delivery of products.

Our Company uses services of third party transportation providers for supply of raw materials and for delivery of finished products to the customers. Any non availability of these services due to strike or any other reason may have an adverse impact on the receipt of supplies and delivery of the finished products thereby adversely affecting our operations

29. Our Company is dependant on our senior management team and the loss of team members may adversely affect our business or results of operations.

Our Company has a team of professionals to manage the operations and growth of our Company. Our success and performance are substantially dependent on the services of our key managerial personnel. Any loss of these key managerial personnel could have an adverse effect on our business operations.

30. Our Company uses hazardous chemicals in its manufacturing processes; any failure to comply with statutory regulations may adversely affect our operations.

The process of manufacturing edible oils involves use of certain hazardous chemicals which are subject to environmental, health and other statutory regulations. These chemicals are hazardous to the environment and may lead to damage and/ or loss of property/ human lives. Certain environmental laws provide for strict liability for remediation of hazardous substances and any failure to comply with these regulations may lead to penalties, fines and/or imprisonment. The occurrence of any of such event may affect our operations adversely.

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

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

32. Our Promoter and Promoter Group will continue to retain majority control over our Company even after this Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of this Issue, our Promoter and Promoter Group will collectively own 52.76% of the enhanced paid-up capital of our Company. As a result, our Promoter and Promoter Group will be able to exercise a significant control on the outcome of any proposal that can be approved by a majority shareholder voting, including, the election of members to our board of directors. The interests of our Promoter may conflict with the interests of our other investors.

33. Our Company has availed credit facilities which have certain restrictive covenants that could limit our flexibility in managing the business.

There are restrictive covenants in agreements we have entered into with bank for borrowings. Further, we may have restrictive covenants in the loans/ facilities which we may avail in future. These restrictive covenants may require us to seek the prior permission of the bank for various activities, which may include, amongst others, declare or pay any dividend to our shareholders without prior permission of the lenders during any financial year unless we have paid all the dues to the respective lenders or paid or have made satisfactory provisions thereof

34. Delay in launch of newer products in response to changing customer preferences and trends in the market for edible oils will significantly affect our Company.

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

35. Losses incurred by our Group Entities

Our following group entities incurred losses in last three years -

(Rs. in lacs)			
Name of Group Entity	FY 2007	FY 2006	FY 2005
M/s. Raj Oil Mills	6.77	0.47	(143.15)
M/s. Raj Builders	(7.90)	-	-

36. Our Company could not appoint Company Secretary for some period as required under Section 383 A of the Companies Act, 1956 which may invite some financial liability on the Company

Our Company did not have whole time Company Secretary as required under Section 383 A of the Companies Act, for the period from November 25, 2002 to January 04, 2008. However, our Company has appointed Company Secretary w.e.f. January 05, 2008. Non-appointment of Company Secretary for the aforesaid period may invite financial liability on the Company as prescribed under the Companies Act, 1956.

37. Our Company is in the process of making an application under Section 621A of the Companies Act, 1956 for compounding of the offence committed under Section 211(1) read with Schedule VI of the Companies Act, 1956.

Our Company is in the process of making an application under Section 621A of the Companies Act, 1956 for compounding of the offence committed under Section 211(1) read with Schedule VI of the Companies Act, 1956 as the Company by oversight has not mentioned the details with respect to the installed capacity of the filtration processing activity as per the provisions of 4C of part II of Schedule VI read with Section 211 of the Companies Act, 1956 in the Balance Sheet of our Company for the financial years 2002 to 2006 and that our Company has contravened the provisions thereof. Our Company may be subjected to financial liability as prescribed under the Companies Act, 1956.

B. EXTERNAL RISK FACTORS

- 1. A significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to decline.**

Our assets and our customers are located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies shall continue to have a significant impact on us, market conditions and prices of Indian securities, including the Equity Shares. Any significant change in the government's policies or any political instability in India could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance and the price of our Equity Shares.

- 2. There may be changes in the regulatory framework governing the edible oil industry that may adversely affect our business.**

The edible oil industry is a substantially regulated sector, which has stringent means of consumer protection and ensuring various compliances in this regard. The statutory and regulatory framework for edible oil industry, if sees any changes in the future, it may have an adverse impact on our business, results of operations and financial condition. For details regarding various statutory and regulatory rules or laws applicable to our business, please refer to the section titled 'Key Industry Regulations and Policies' beginning on page no. [●] of this Draft Red Herring Prospectus.

- 3. The price of the Equity Shares may be volatile once listed and therefore, resell of such shares at or above the Issue Price may or may not be done easily.**

As on date, there has been no public market for our Equity Shares and an active trading market on the Indian Stock Exchanges may not develop or be sustained once our Equity Shares are listed. The Issue Price of our Equity Shares may bear no relationship to the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue may be subject to significant fluctuations in response to, among other factors, our results of operations and performance, subsequent corporate actions taken by us, performance of our competitors, adverse media reports and reviews and then market conditions.

- 4. Change in tax laws in India.**

Any changes in the tax laws in India, particularly Central Excise Tax, Sales Tax or Income Tax may lead to an increase in the tax liability of our Company, thereby having an adverse impact on profit after tax and EPS of our Company.

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

Our performance, the quality and growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices or various other factors. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect our income, which could adversely affect our results of operations.

- 6. Stringent environmental laws and regulations.**

Our Company requires certain statutory and regulatory permits and approvals for existing businesses under various environmental laws. Moreover, unknown environmental problems or conditions may be discovered. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future.

7. Any natural disasters could disrupt our operations and result in loss of revenues and increased costs.

Our plants and business are vulnerable to man-made and natural disasters such as, explosions, earthquakes, storms and floods as well as to terrorist attacks or other enemy actions. The occurrence of such incidences could disrupt the operations of our facilities and result in loss of revenues and increased costs.

C. NOTES TO RISK FACTORS

1. This Issue comprises 1,10,00,000 Equity Shares of Face Value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] lacs.
2. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net Issue will be allotted on a proportionate basis to QIBs, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net 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.
3. The Book Value per Equity Share of our Company is Rs. 23.47 as on 31 December, 2007.
4. The Net worth of our Company is Rs. 4,338.89 lacs as on December 31, 2007.
5. The average cost of acquisition of Equity Shares by the Promoter is as under -

Name of the Promoter	No. of Equity Shares acquired	Average cost of acquisition of per Equity Shares (Rs.)
Mr. Shaukat S. Tharadra	1,85,80,100	12.83

6. Other than as disclosed in related party transaction, our Promoter/ directors/ key management personnel have no interest, other than their shareholding in our Company, if any. For details of related party transactions, please refer to the section titled “Related Party Transactions” on page no. [●] of this Draft Red Herring Prospectus.
7. All information shall be made available by the BRLMs and our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentation, in research or sales report etc.
8. Investors are advised to refer to the section titled “Basis of Issue Price” starting from page no. [●] of this Draft Red Herring Prospectus before making an investment in this Issue.
9. Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in accordance with the SEBI Guidelines and in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange. For more information, please refer to the section titled “Basis of Allotment” on page no. [●] of this Draft Red Herring Prospectus.
10. Our Company is exploring possibilities of placing Equity Shares with certain investors prior to filing of Red Herring Prospectus with the ROC. In such an event, the size of the Net Issue to Public would stand reduced to the extent of such placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company.
11. Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.
12. Save and except issuance of all those Equity Shares issued as Bonus Issue from the date of inception of our Company, we have not capitalized the reserves till date.

13. Our Promoter including Promoter Group and associates and directors have not purchased/ sold Equity Shares of our Company, during the period of six months preceding the date on which Draft Red Herring Prospectus is filed with SEBI.
14. Our company has not issued any shares for consideration other than cash since inception, except bonus issues.

Investors are free to contact the BRLMs or the Compliance Officer for any clarification or information or for any complaint pertaining to this Issue. For contact details, please refer to the cover page of this Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY AND BUSINESS

Overview of the Indian Edible Oil Industry

Edible Oil Industry

India is the one of the largest consumer and importer of edible oil in the world, next only to China and the US. India imports palm oil mainly from Malaysia and Indonesia and soyabean oil from Argentina and Brazil. While the US has a strong domestic consumption base and mostly exports soyabean seeds in addition to oil, Argentina and Brazil exports much of their production, mostly in the form of crude oil.

In ancient times, vegetable oils were obtained by crushing oilseeds in village ghanis/ kolhus/ chekkus in the country. At the beginning of the 20th century, the vegetable oils industry was based on some 500,000 bullock-driven ghanis producing about 800,000 tonnes of oils. Slowly, in addition to these ghanis, power-driven ghanis (rotary ghanis made indigenously), imported expeller and imported hydraulic press plants started crushing oilseeds.

The size of the Indian oilseeds-based sector is estimated at US\$ 16.5 billion (inclusive of exports and imports). India is the world's fourth largest vegetable oil economy. Currently, India accounts for 7.4% of world oilseeds output; 6.1% of world oil meal production; 3.9% of world oil meal export; 5.8% of world veg oil production; 11.2% of world vegoil import; and 9.3% of the world edible oil consumption (Source: Oil World). The estimated land under cultivation for oilseed in India is 25 – 26 million hectares.

India's annual consumption is around 12 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption is considerably lower compared to global standards. Since 1995, Indian share in world production of oilseeds has been around 8-10%.

(Source: www.seaofindia.com)

Please refer to the section titled 'Industry Overview' starting from page no. [●] for further detail of this Draft Red Herring Prospectus.

Business overview

Raj Oil Mills Ltd was incorporated on October 17, 2001. In 2002, our Company acquired business of M/s Raj Oil Mills, partnership firm, vide Deed of Assignment with effect from April 1, 2002. As per the assignment, Land and Building and intangibles viz. Brands, Trademarks and Copyrights were not assigned. In the year 2005, our Company shifted factory premises from Military Road, Marol, Andheri (East), Mumbai - 400 059 to village Ten, Manor, taluka Palghar, district Thane – 401 404

At present, our Company is engaged in the business of Crushing and Oil Filtration with a capacity of 5000 TPA and 30000 TPA respectively.

We market our products under the following brands:

- Cocoraj (Coconut Oil)
- Cocoraj Cool (Ayurvedic Oil)
- Guinea Groundnut Oil (Double Filtered Oil)
- Guinea Lite Groundnut Oil (Refined Oil)
- Guinea Lite Sunflower Oil (Refined Oil)
- Guinea Lite Cottonseed Oil (Refined Oil)
- Guinea Lite Soyabean Oil (Refined Oil)
- Tilraj Til Oil
- Mustraj Mustard Oil

Our aforementioned products are sold under three umbrella brands viz., 'Cocoraj', 'Guinea' and 'Raj'. These brands are in existence for more than 5 decades.

Our Company acquired all intangible property viz. Brands, Trademarks and Copyrights from M/s Raj oil Mills, partnership firm vide various agreement dated December 13, 2007, December 17, 2007, December 20, 2007, December 26, 2007 and December 31, 2007. Thus following brands, ‘Cocoraj’, ‘Guinea’ and ‘Raj’ became part of our Company. The said transfer was done at total consideration of Rs. 5,555 (Rupees Five thousand five hundred and fifty five only)

For further details, please refer to the section titled “Our Business” starting from page no. [●] of this Draft Red Herring Prospectus.

SUMMARY OF CONSOLIDATED FINANCIAL, OPERATING AND OTHER DATA

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	As At 31st December				
	2007	2006	2005	2004	2003
		Consolidated			
A. Fixed Assets					
Gross Fixed Assets	2,100.04	1,520.29	1,334.85	712.21	680.69
Less : Accumulated Depreciation	253.02	225.45	157.47	106.95	61.96
Net Fixed Assets	1,847.02	1,294.84	1,177.38	605.26	618.73
Less : Revaluation Reserves	-	-	-	-	-
Net Fixed Assets After Revaluation Reserves	1,847.02	1,294.84	1,177.38	605.26	618.73
Capital Work in Progress	228.56	14.09	-	293.88	6.40
Total Fixed Assets	2,075.58	1,308.93	1,177.38	899.14	625.13
B. Investments	2.50	3.75	3.25	2.50	1.25
C. Current Assets, Loans & Advances	-	-	-	-	-
Sundry Debtors	5,345.39	2,318.80	1,004.59	1,045.43	1,100.21
Cash and Bank Balances	243.78	186.96	122.10	77.87	76.07
Loans and Advances	913.95	295.75	550.31	868.98	819.54
Inventories	777.59	506.74	174.64	216.58	293.48
Total (C)	7,280.70	3,308.25	1,851.64	2,208.85	2,289.30
D. Liabilities & Provisions					
Minority Interest	-	8.10	5.88	-	-
Secured loans	1,150.24	774.17	805.78	1,211.97	1,264.19
Unsecured loans	960.22	15.84	1.99	-	-
Deferred Tax Liability (Net)	168.68	121.73	119.43	144.51	108.96
Current Liabilities	1,762.26	1,521.90	993.21	1,057.46	1,098.43
Provisions	978.50	374.60	35.80	9.00	-
Share Application Money pending allotment	-	11.00	13.85	114.95	8.10
Total (D)	5,019.90	2,827.33	1,975.94	2,537.89	2,479.68
E. Net Assets (C-D)	2,260.80	480.92	(124.29)	(329.04)	(190.38)
E . Net Worth (A + B + C - D)	4,338.89	1,793.60	1,056.33	572.60	436.00
Represented by					
Equity Share Capital	1,849.02	852.00	852.00	602.00	602.00
Reserve & Surplus	2,495.80	986.87	307.81	149.85	78.58
Revaluation Reserves	-	-	-	-	-
Total	4,344.82	1,838.87	1,159.81	751.85	680.58
Less : - Miscellaneous Expenditure not w/off	5.93	45.27	103.48	179.25	244.58
F. Net Worth	4,338.89	1,793.60	1,056.33	572.60	436.00

SUMMARY OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED AS RESTATED

(In Rs. Lacs)

Particulars	For the Year ended 31st December				
	2007	2006	2005	2004	2003
		Consolidated			
Income					
Sales & Operating Incomes					
- Manufactured Goods	21,738.54	11,025.87	8,001.43	6,842.06	6,639.65
- Traded Goods	2,170.98	973.12	346.04	1,117.21	6,709.06
Export Sales	-	249.87	185.65	218.01	13.36
Other Income	8.39	21.86	8.62	16.46	13.32
Increase/(Decrease) in Inventory	74.20	13.29	(36.14)	(53.25)	49.39
Total Income	23,992.11	12,284.01	8,505.60	8,140.50	13,424.79
Expenditure					
Raw Material Consumed / Cost of Traded Goods	19,385.17	9,782.18	7,137.10	7,013.16	12,194.60
Manufacturing Expenses	152.99	134.70	115.68	73.12	105.75
Payment & Provision for Employees	460.65	373.09	242.28	270.79	247.25
Administrative and Other Expenses	375.11	269.95	268.50	220.00	246.62
Selling and Distribution Expenses	405.35	418.45	314.96	184.20	272.32
Finance Cost	292.77	174.49	197.27	217.32	210.32
Depreciation & Amortization	79.42	73.28	61.41	46.10	43.51
Total Expenditure	21,151.47	11,226.14	8,337.19	8,024.68	13,320.37
Profit for the Period	2,840.65	1,057.87	168.41	115.82	104.42
Add / (Less) : Prior Period Items	-	-	-	-	-
Profit Before Tax & Extra Ordinary Items	2,840.65	1,057.87	168.41	115.82	104.42
Add / (Less) : Provision for Tax					
Current Tax	(958.00)	(359.05)	(25.30)	(9.00)	-
Fringe Benefit Tax	(0.50)	(0.25)	(0.50)	-	-
Wealth Tax	(20.00)	(15.00)	(10.00)	-	-
Earlier Years	-	-	-	-	-
Deferred Tax Liability / (Assets)	(46.95)	(2.30)	25.08	(35.55)	(17.91)
Profit After Tax but before Extra Ordinary Items	1,815.20	681.27	157.69	71.27	86.51
Extra Ordinary Items (Net of Taxes)	-	-	-	-	-
Profit After Tax & Extra Ordinary Items	1,815.20	681.27	157.69	71.27	86.51
Balance brought forward from previous year	948.57	278.82	122.02	49.59	(34.92)
Net Profit Available for Appropriation					
Less : - Minority Interest	-	(2.22)	(0.88)	-	-
Appropriation	-	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-
Capitalized during the year for Bonus Shares	(823.00)	-	-	-	(2.00)
Balance carried forward as restated	1,940.77	957.87	278.82	120.86	49.59

THE ISSUE

Fresh Issue by our Company*	1,10,00,000 Equity Shares of Face Value of Rs. 10 each aggregating to Rs. [●] lacs
Of which:	
1. Qualified Institutional Buyers Portion (a) & (b)	Up to 55,00,000 Equity Shares (allocation on proportionate basis) out of which 5% of the QIB Portion or 2,75,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds (Mutual Funds Portion), and 52,25,000 Equity Shares shall be available for allocation to all QIBs, including Mutual Funds
2. Non-Institutional Portion (b)	Not less than 16,50,000 Equity Shares shall be available for allocation on proportionate basis
3. Retail Portion (b)	Not less than 38,50,000 Equity Shares shall be available for allocation on proportionate basis
Equity Shares outstanding prior to this Issue	2,50,10,100 Equity Shares
Equity Shares outstanding post this Issue	3,60,10,100 Equity Shares
Use of proceeds	Please refer to the section titled “Objects of the Issue” starting from page no. [●] of this Draft Red Herring Prospectus.

* Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC. The Shares allotted under the Pre-IPO Placement, if completed, shall be subject to the following conditions -

- Shall not be issued to Promoter or Promoter Group;
- Shall not be issued at a price substantially lower than the Issue Price;
- Shall be subject to a lock-in period of one year.

Note:

(a) Allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIBs portion would be specifically reserved for Mutual Funds and Mutual Fund applicants shall also be eligible for proportionate allocation under the balance available for all QIBs. Further attention of all QIBs is required towards the following:

- Once a QIB has applied for our Issue, the QIB will not be allowed to withdraw the application, after the Bid Issue/Closing date.
- Each QIB including Mutual Funds will be required to deposit 10% margin money with application.

(b) Subject to valid bids being received at or above the Issue Price, under-subscription, if any, in any of the categories would be allowed to be met with spill over inter-se from any other category, at the sole discretion of our Company in consultation with the BRLM(s).

GENERAL INFORMATION

Raj Oil Mills Limited

Our Company was incorporated as a public limited company under the Companies Act, 1956 on October 17, 2001 as Raj Oils Mills Limited. We received our certificate of commencement of business on November 6, 2001.

Registered Office

224 - 230, Bellasis Road,
Mumbai - 400 008

Tel. no.: +91 - 22 - 2302 1996 – 98

Fax no.: +91 - 22 - 2301 5605

Email: ipo@rajoilmillsltd.com

Website: www.rajoilmillsltd.com

Contact person: Mr. Alok Desai, Company Secretary and Compliance Officer

At the time of incorporation, our registered office was situated at Military Road, Marol, Andheri (East), Mumbai - 400 059. With effect from March 5, 2005, our registered office was shifted to 224 - 230, Bellasis Road, Mumbai - 400 008.

Address of Registrar of Companies

The Registrar of Companies, Maharashtra, Mumbai
100, Everest Building
New Marine Lines,
Mumbai - 400 002

Company Registration Number: 11 - 133714

CIN: U15142MH2001PLC133714

Board of Directors

The composition of our Board of Directors is as under:

Sr. No.	Name	Designation	Status
1	Mr. Shaukat S. Tharadra	Chairman and Managing Director	Executive Director
2	Mr. Azamkhan F. Lohani	Whole Time Director	Executive Director
3	Mr. Abdulla K. Musla	Whole Time Director	Executive Director
4	Mr. Rashid I. Tharadra	Whole Time Director	Executive Director
5	Mr. Bhimji V. Ratanghayra	Director	Independent Director
6	Mr. Mohamedi T. Singaporewala	Director	Independent Director
7	Mr. Narotambhai V. Patel	Director	Independent Director
8	Dr. R. H. Balasubramanya	Director	Independent Director

For further details of our Directors, please refer to the section titled “Our Promoter” and “Our Management” beginning on page no. [●] and [●] respectively of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Alok Desai

224 - 230, Bellasis Road,
Mumbai - 400 008

Tel. no. : +91 - 22 - 2302 1996 – 98

Fax no. : +91 - 22 - 2301 5605

Email: ipo@rajoilmillsltd.com

Investors are requested to contact the above-mentioned Compliance Officer in case of any Pre-issue related clarification. In case of Post-Issue related problems such as non-receipt of letters of allotment/ share certificates/ credit of securities in depository beneficiary account/ refund orders etc., Investors may contact Compliance Officer and/ or Registrar to the Issue.

Legal Advisor to the Issue

M/s. Arpan M. Rajput & Co.

154/21, Rashid Mansion, 1st Floor,
Bora Bazar Street, Fort,
Mumbai - 400 001
Telefax: + 91 - 22 - 2262 2035
Email: arpanmraiput@rediffmail.com
Contact Person: Mr. Arpan M. Rajput

Bankers to the Company

The Shamrao Vithal Co-operative Bank Limited
SVC Tower, Nehru Road, Vakola, Santacruz (East),
Mumbai – 400 055
Tel. no.: + 91 - 22 – 6699 9742
Fax no.: + 91 - 22 – 6699 9700
Contact Person: Mr. Ajit Venugopal

ISSUE MANAGEMENT TEAM

Book Running Lead Manager

Karvy Investor Services Limited

(SEBI Registration No.: INM000008365)
“Karvy House”, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500 034
Tel. no.: + 91 - 40 - 2331 2454, 2342 8774
Fax no.: + 91 - 40 - 2337 4714
Email: cmg@karvy.com
Website: www.karvy.com
Contact Person: Mr. Ajesh Dalal/ Mr. M. P. Naidu

Co-Book Running Lead Manager

India Capital Markets Private Limited

(SEBI Registration No.: INM000011187)
11/13, Botawala Building,
4 -5, First Floor, Horniman Circle, Fort,
Mumbai - 400 001
Tel. no.: +91 - 22 - 6777 6777
Fax no.: +91 - 22 - 6777 6999
Website: www.indiacapitalmarkets.in
Email: compliance@indiacapitalmarkets.in
Contact Person: Mr. Sanjeev Shah

Registrars to the Issue

Bigshare Services Private Limited

(SEBI Registration No.: INR 000001385)
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (East),
Mumbai - 400 072
Tel. no.: + 91 - 22 – 4043 0200
Fax no.: + 91 - 22 - 2847 5207
Website: www.bigshareonline.com
Email: iporaj@bigshareonline.com
Contact Person: Mr. Prakash Khare

Bankers to the Issue and Escrow Collection Banks

[•]

Refund Banker

[•]

Brokers to the Issue

All members of the recognized Stock Exchange(s) would be eligible to act as Brokers to this Issue.

Syndicate Members

[•]

Auditors to the Company

M/s. M. K. Gohel & Associates

Chartered Accountants
4, Ghadiali Chawl, Behind Sonal Apartments
Near Bhurabhai Arogya Bhavan Hall
Sarojini Naydu Road, Kandivali (West)
Mumbai – 400 067
Tel. no.: + 91 - 22 – 2807 8033
Fax: + 91 - 22 - 2807 8033
Email: mkgohel@vsnl.com
Contact Person: Mr. Mukesh K. Gohel

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLMS

The responsibilities and co-ordination roles for various activities in our IPO have been distributed between Karvy Investors Service Limited ('Karvy'), Book Running Lead Manager and India Capital Markets Private Limited ('India Capital'), Co-Book Running Lead Manager is as under:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments etc.	Karvy	Karvy
2.	Due diligence of our Company's operations/ management / business plans/ legal etc.	Karvy	Karvy
3.	Drafting and Design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The designated BRLM shall ensure compliance with stipulated requirements	Karvy	Karvy

	and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI.		
4.	Selection of various agencies connected with the Issue including Registrar, Printers, Advertising Agency, Banker to the Issue, Refund Bankers etc.	Karvy	Karvy
5.	Company positioning and pre-marketing exercise, finalise media public relation strategy, drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, broucher, etc.	Karvy	Karvy
6.	Qualified Institutional Bidder (QIBs) Category: Finalising the list and division of investors for one-to-one meetings, Co-ordinating institutional investor meetings, institutional allocation and finalizing pricing decision.	Karvy	Karvy
7.	Non Institutional and Retail Marketing of the Issue, which will cover inter alia: • Formulating marketing strategy • Preparation of publicity budget • Arrange and finalise Ad-Media and Public Relation strategy • Arrange and Finalise centers for holding conferences for brokers, Investors, high net worth investors press, etc. • Arrange for selection of (i) bankers to issue, (ii) collection centres (iii) brokers to issue and (iv) underwriters and the underwriting arrangement. • Follow-up on distribution of publicity and issue material including bid cum application form, prospectus and deciding on the quantum of the issue material	Karvy	Karvy
8.	Appointment of Syndicate Members	Karvy	Karvy
9.	Running the Book, interaction & co-ordination with Stock Exchanges for book-building terminals and mock trading	Karvy	Karvy
10.	Finalizing of Prospectus and RoC Filing etc.	Karvy	Karvy
11.	The post bidding activities including, management of escrow accounts, co-ordinate non-institutional allocation, intimation of allocation, dispatch of refund orders to Bidders etc.	India Capital	India Capital
12.	The Post Issue activities of the Issue will involve essential follow up steps, which include finalisation of listing of Equity Shares, finalization of basis of allotment including weeding out of multiple applications and dispatch of allotment advice and refund orders, with the various agencies connected with the work such as the Registrars to the issue, Bankers to the Issue and bank handling refund business.	India Capital	India Capital

Even if many of these activities will be handled by other intermediaries, the BRLM and/ or the Co-BRLM, as the case may be, shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

This being an issue of Equity Shares, credit rating is not required.

IPO Grading Agency

ICRA Limited

(SEBI Registration No.: IN/CRA/003/1999)

3rd Floor, Electric Mansion,

Appasaheb Marathe Marg, Prabhadevi,

Mumbai – 400 025

Tel. no.: + 91 – 22 – 3047 0000

Fax no.: + 91 – 22 – 2433 1390

Website: www.icraratings.com

Email: shivakumar@icraratings.com

Contact person: Mr. L. Shivakumar

[•]

Trustees

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

Monitoring Agency

As our Issue size is less than 50,000 lacs, we have not appointed any monitoring agency to monitor the utilization of issue proceeds, as the same is not required as per SEBI Guidelines.

Appraising Entity

The project for which this Issue is being made is not appraised by any project appraising entity.

Book Building Process

Book Building refers to the collection of Bids from investors, on the basis of this Draft Red Herring Prospectus, with the Issue Price being finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. Book Running Lead Managers;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as Underwriters. The BRLMs to appoint Syndicate Members;
4. Registrar to the Issue;
5. Escrow Collection Bank(s); and
6. Refund Bank

This Issue is being made through the 100% Book Building Process wherein not more than 50% of this Issue to Public shall be available for Allocation to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. Further, not less than 35% of this Issue to Public shall be available for Allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of this Issue to Public shall be available for Allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid / Issue Closing Date. In addition, QIBs are required to pay atleast 10 % of the Bid Amount as margin money upon submission of the Bid-cum-Application Form during the Bid/ Issue period and allocation to QIBs will be on a proportionate basis. For further details, please refer to the section titled “Terms of the Issue” beginning on page no. [•] of this Draft Red Herring Prospectus.

Our Company will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed Karvy Investor Services Limited as Book Running Lead Manager and India Capital Markets Private Limited as Co-Book Running Lead Manager to manage the Issue and to procure subscriptions to this Issue.

The process of Book Building, under the SEBI Guidelines, 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 only and is not specific to this Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 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 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 (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Steps to be taken by the Bidder for Bidding:

- Check eligibility for making a Bid (for further details, please refer to the section titled “Issue Procedure - Who can Bid” beginning on page no. [●] of the Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form;
- Ensure that the Bid-cum-Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form;
- Each of the bidders should hold a valid Permanent Account Number allotted under the IT Act and mention his/her Permanent Account number in the application form while bidding for this Issue. 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;
- Bids by QIBs will have to be submitted only to the BRLMs.

Withdrawal of this Issue

Our Company, in consultation with the BRLM and Co-BRLM, reserves the right not to proceed with the Issue anytime after the Bid/ Issue Opening Date but before the Allotment of Equity Shares without assigning any reason thereof. Notwithstanding the foregoing, this 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 RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/ Issue Closing Date.

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 10.00 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 except that on the Bid/ Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time) and uploaded till

- (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and;
- (ii) till such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000.

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 1.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on working days i.e. Monday to Friday (excluding any public holiday).

Our Company, in consultation with the BRLM and Co-BRLM reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap should not be more than 20% of the floor of the Price Band. The floor of the Price Band can be revised up or down up to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional working days after such revision, subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the BRLM/ Co-BRLM and the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to filing the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be issued in this Issue. Pursuant to the terms of the Underwriting Agreement, if entered into, the BRLMs shall be responsible for bringing in the amount devolved in the event that the members of the Syndicate do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:

(This portion will be completed before filing the Prospectus with the RoC.)

Name and Address of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lacs)
[●]	[●]	[●]
[●]	[●]	[●]
TOTAL	[●]	[●]

The above-mentioned underwriting will be finalised after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [●].

Allocation among the Underwriter may not necessarily be in the proportion of their underwriting commitments. Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the 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 for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The BRLMs shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations. In the opinion of the Board of Directors (based on a certificate given by the Underwriter), the resources of the abovementioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

CAPITAL STRUCTURE

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

Sr. No.	Particulars	Aggregate Value at face value (Rs. in lacs)	Aggregate value at Issue Price (Rs. in lacs)
A.	Authorised Equity Capital		
	4,00,00,000 Equity Shares of Face Value of Rs. 10 each	4,000.00	-
B.	Issued, subscribed and paid-up Equity Capital before this Issue		
	2,50,10,100 Equity Shares of Rs. 10 each fully paid-up before this Issue	2,501.01	[●]
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	1,10,00,000 Equity Shares of Face Value of Rs. 10 each*	1,100.00	[●]
D.	Equity Capital after this Issue		
	3,60,10,100 Equity Shares of Face Value of Rs. 10 each	3,601.01	[●]
E.	Securities Premium Account**		
	Before the Issue	829.79	-
	After the Issue	[●]	

* Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

The Shares allotted under the Pre-IPO Placement, if completed, shall be subject to the following conditions -

- Shall not be issued to Promoter or Promoter' Group;
- Shall not be issued at a price substantially lower than the Issue Price;
- Shall be subject to a lock-in period of one year

** If the Pre-IPO Placement is completed, the amount in the Securities Premium Account on a pre-Issue basis will be accordingly modified. The increase in the Securities Premium Account as a result of this Issue will be completed only after the Issue Price is determined.

NOTES TO CAPITAL STRUCTURE

1. Changes in the Authorized Share Capital of our Company since Incorporation:

Sr. No.	Date of passing of the resolution	From	To
1	October 17, 2001 (on Incorporation)	25,00,000	
2	January 31, 2002	25,00,000	3,00,00,000
3	December 3, 2002	3,00,00,000	6,00,00,000
4	November 10, 2003	6,00,00,000	12,00,00,000
5	April 5, 2007	12,00,00,000	30,00,00,000
6	March 26, 2008	30,00,00,000	40,00,00,000

2. Share Capital history of our Company

The following is the history of the paid-up Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash or other than cash)	Nature of/Reasons for Allotment	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
October 17, 2001	50,000	10	10	Cash	Subscription to Memorandum	5,00,000	Nil
January 21, 2002	2,00,000	10	10	Cash	Allotment to Promoter and Promoter Group	25,00,000	Nil
April 26, 2002	8,50,000	10	10	Cash	Allotment to Promoter and Promoter Group	1,10,00,000	Nil
November 25, 2002	19,00,000	10	10	Cash	Allotment to Promoter	3,00,00,000	Nil
December 13, 2002	5,00,000	10	20	Cash	Allotment to Promoter	3,50,00,000	50,00,000
December 27, 2002	4,00,000	10	25	Cash	Allotment to Promoter and Promoter Group	3,90,00,000	1,10,00,000
October 13, 2003	4,00,000	10	25	Cash	Allotment to Promoter Group	4,30,00,000	1,70,00,000
November 14, 2003	17,20,000	10	-	-	Bonus Issue of 2 shares for every 5 shares held	6,02,00,000	Nil
March 31, 2005	25,00,000	10	10	Cash	Allotment to Promoter	8,52,00,000	Nil
June 10, 2007	85,20,000	10	-	-	Bonus Issue of 1 share for every 1 share held	17,04,00,000	Nil
June 30, 2007	1,00,200	10	25	Cash	Allotment to Promoter	17,14,02,000	15,03,000
October 26,	13,50,000	10	50	Cash	Allotment to	18,49,02,000	5,55,03,000

2007					Promoter		
January 8, 2008	8,33,000	10	10	Cash	Allotment to Promoter	19,32,32,000	5,55,03,000
January 11, 2008	50,00,000	10	10	Cash	Allotment to Promoter	24,32,32,000	5,55,03,000
February 28, 2008	3,36,500	10	50	Cash	Allotment to Promoter	24,65,97,000	6,89,93,000
March 25, 2008	3,50,400	10	50	Cash	Allotment to Promoter	25,01,01,000	8,29,79,000
TOTAL	2,50,10,100					25,01,01,000	8,29,79,000

3. History of Equity Share Capital of our Promoter and Promoter Group:

Promoter: Mr. Shaukat S. Tharadra

Name	Date of Allotment/ Acquisition/Sale/ Date when fully paid	No. of Shares	Nature of allotment/ acquisition/ transaction	Face Value (Rs.)	Issue Price per Equity Share (Rs.)	Consideration	% of Post Issue Equity Capital
Mr. Shaukat S. Tharadra	October 17, 2001	10,000	Subscription to Memorandum	10	10	Cash	0.03
	January 21, 2002	1,00,000	Further Issue	10	10	Cash	0.28
	April 26, 2002	8,15,000	Further Issue	10	10	Cash	2.26
	November 25, 2002	19,00,000	Further Issue	10	10	Cash	5.27
	December 13, 2002	5,00,000	Further Issue	10	20	Cash	1.39
	December 27, 2002	3,00,000	Further Issue	10	25	Cash	0.83
	October 13, 2003	2,00,000	Further Issue	10	25	Cash	0.56
	November 14, 2003	15,30,000	Bonus Issue	10	-	Bonus	4.25
	March 31, 2005	25,00,000	Further Issue	10	10	Cash	6.94
	June 10, 2007	*27,55,000	Bonus Issue	10	-	Bonus	7.65
	June 30, 2007	1,00,200	Further Issue	10	25	Cash	0.29
	October 26, 2007	13,50,000	Further Issue	10	50	Cash	3.75
	January 8, 2008	8,33,000	Further Issue	10	10	Cash	2.31
	January 11, 2008	50,00,000	Further Issue	10	10	Cash	13.88

	February 28, 2008	3,36,500	Further Issue	10	50	Cash	0.93
	March 25, 2008	3,50,400	Further Issue	10	50	Cash	0.97
	Total	1,85,80,100					51.60

* Out of the total Equity Shares 78,55,000 allotted as bonus, 50,00,000 Equity Shares were sold on June 25, 2007 and 1,00,000 Equity Shares were sold on June 30, 2007.

Note: Out of above mentioned total 1,85,80,100 Equity Shares 3,08,000 Equity Shares are held by Mr. Shaukat S. Tharadra in his single account and 1,82,72,100 Equity Shares are held by Mr. Shaukat S. Tharadra jointly with Mrs. Shahida S. Tharadra (wife of Mr. Shaukat S. Tharadra).

Promoter Group: Mrs. Shahida S. Tharadra

Name	Date of Allotment/ Acquisition/Sale/ Date when fully paid	No. of Shares	Nature of allotment / acquisition	Face Value (Rs.)	Issue Price per Equity Share (Rs.)	Consideration	% of Post Issue Equity Capital
Mrs. Shahida S. Tharadra	October 17, 2001	10,000	Subscription to Memorandum	10	10	Cash	0.03
	January 21, 2002	40,000	Further Issue	10	10	Cash	0.11
	December 27, 2002	1,00,000	Further Issue	10	25	Cash	0.28
	November 14, 2003	60,000	Bonus Issue	10	-	Bonus	0.17
	June 10, 2007	2,10,000	Bonus Issue	10	-	Bonus	0.58
	Total	4,20,000					1.17

Note: Out of above mentioned total 4,20,000 Equity Shares 1,40,000 Equity Shares are held by Mrs. Shahida S. Tharadra in her single account and 2,80,000 equity shares are held by Mrs. Shahida S. Tharadra jointly with Mr. Shaukat S. Tharadra (husband of Mrs. Shahida S. Tharadra).

3. Promoter Contribution and Lock-in

- a) The details of our Promoter Contribution and lock-in of Equity Shares are as under -

Three years lock-in

Pursuant to the SEBI Guidelines, our Promoter shall lock in an aggregate of 20% of the post-issue Equity Share capital of our Company for a period of three years from the date of allotment in this Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter Contribution under Clause 4.6 of the SEBI Guidelines.

The details of our Promoter's Equity Shares locked-in for a period of three years are as under -

Name of our Promoter	Date of Allotment /Acquisition/Sale/ Date when fully paid	No. of Shares	Nature of allotment / acquisition	Face Value (Rs.)	Issue Price per Equity Share (Rs.)	Consideration	% of Post Issue Equity Capital
Mr. Shaukat S. Tharadra	June 10, 2007	27,55,000	Bonus	10	-	Bonus	7.65
	March 31, 2005	25,00,000	Further Issue	10	10	Cash	6.94
	November 14, 2003	15,30,000	Bonus Issue	10	-	Bonus	4.25
	October 13, 2003	2,00,000	Further Issue	10	25	Cash	0.56
	December 27, 2002	2,17,020	Further Issue	10	25	Cash	0.60
	Total	72,02,020					20%

One year lock-in

Other than above mentioned three year lock-in of our Promoter's Equity Shares, the entire Pre-issue capital of our Company comprising 1,78,08,080 Equity Shares will be locked in for a period of one year from the date of allotment in this issue.

Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC. The Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one year.

Other requirements in respect of lock-in:

- b) The written consent has been obtained from Mr. Shaukat S. Tharadra (Promoter) for inclusion of such number of his existing shares subject to lock -in to the extent of 20% of Post-issue Paid-up Equity Share Capital.
- c) The Promoter Contribution has been brought in to the extent that it is not less than the specified minimum lot of Rs. 25,000 per application from each individual and Rs. 1,00,000 from firms and companies, as applicable.
- d) In terms of clause 4.16.1 (b) of the SEBI Guidelines, locked in Equity Shares held by our Promoter may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee(s) for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.
- e) In terms of clause 4.16.1 (a) of the SEBI Guidelines, locked in Equity Shares held by shareholders other than our Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferee(s) for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.

- f) In terms of clause 4.15 of the SEBI Guidelines, locked-in securities held by our Promoter may be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

Provided that the securities which are locked in as minimum Promoter Contribution under clause 4.11.1 of the SEBI Guidelines may be pledged, only if, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of this issue.

- g) No shares forming part of Promoter Contribution are consisting of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- h) No shares forming part of Promoter Contribution are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or resulting from a bonus issue, out of revaluation reserves or reserves created without accrual of cash resources or against shares which are otherwise ineligible for computation of Promoter Contribution.
- i) Promoter Contribution does not consist of any securities which have been acquired by the Promoter during the preceding one year, at a price lower than the price at which equity is being offered.
- j) Promoter Contribution does not consist of any pledged securities.
- k) Save and except issuance of all those Equity Shares issued as Bonus Issue from the date of inception of our Company, we have not capitalized the reserves till date.
- l) Our Company, our Directors, our Promoter, Promoter Group and the Book Running Lead Manager(s) have not entered into any buy-back and/ or standby arrangements for purchase of Equity Shares issued by our Company through this Draft Red Herring Prospectus.
- m) An over-subscription to the extent of 10% of the Issue size can be retained for the purpose of rounding off to the nearest multiple of one Equity Share while finalizing the allotment.
- n) None of our Directors or Key Managerial Personnel holds any Equity Shares in our Company, except as stated under the section titled "Our Management" starting from page no. [●] of this Draft Red Herring Prospectus.
- o) The Equity Shares will be fully paid-up at the time of Allotment.
- p) Allotment shall be on a proportionate basis rounded off to the nearest integer subject to the minimum allotment being equal to the minimum application size.
- q) In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be available for allocation on a proportionate basis to Mutual Funds and the remaining QIB portion would be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- r) Under subscription, if any, in any category, would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM(s) subject to applicable provisions of SEBI Guidelines and the Designated Stock Exchange.
- s) Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital being offered to the public.

- t) There are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
- u) Our Company has not raised any bridge loan against this Issue proceeds.
- v) As on date of filing this Draft Red Herring Prospectus, the total number of holders of Equity Shares are 43.
- w) Our Company does not have any ESOS/ ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS/ ESPS scheme from this proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- x) Our Company, Directors, Promoter or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.
- y) Our Company has not revalued its assets since inception.
- z) As per the loan agreements entered into by us with our lenders, our Company is required to obtain consent from them prior to altering its capital structure. Accordingly, our Company has obtained consents of our lenders for this Issue, the details of the same are as under –

Sr. No.	Name of Lender	Letter Dated
1.	The Shamrao Vithal Co-operative Bank Limited	March 26, 2008

- aa) The Equity Shares held by our Promoter are not subject to any pledge.
- bb) Restrictive Covenants under the lender's agreements about capital structure: In respect to the various agreements entered into by our Company with its lenders, we are bound by certain restrictive covenants regarding our capital structure. As per these restrictive covenants, our Company cannot, without the prior approval of these lenders prepay any outstanding loan amount, issue any debentures, raise loans or create any charge on its assets or give any guarantees. Also, we shall not without the prior written approval of these lenders buy back, cancel, retire, reduce, redeem, purchase, re-purchase, acquire any of our share capital, issue any further share capital, shall not declare or pay any dividend to its shareholders during any financial year unless it has paid all the pending dues.
- cc) Our Promoter and Promoter Group will not participate in this Issue.
- dd) There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

4. Particulars of top ten shareholders as on the date of filing of this Draft Red Herring Prospectus with SEBI are as under –

Sr. No.	Name of Shareholder	No. of Shares	Pre Issue % Holding
1.	Mr. Shaukat S. Tharadra	1,85,80,100	74.29
2.	Mr. Hitesh Ajmera	7,90,000	3.16
3.	Mr. Azamkhan F. Lohani	6,30,000	2.52
4.	Anjana Projects Limited	5,00,000	2.00
5.	Silvercross Marketing Private Limited	5,00,000	2.00
6.	Mrs. Shahida S. Tharadra	4,20,000	1.68
7.	Mr. Amal N. Parikh	4,00,000	1.60
8.	Mr. Jyoti Vardhan Sonthalia	4,00,000	1.60

9.	Mr. Rajesh D. Chaturvedi	3,00,000	1.20
10.	Ms. Ritika Kumar	3,00,000	1.20

5. Particulars of top ten shareholders ten days prior to the date of filing of this Draft Red Herring Prospectus are as under -

Sr. No.	Name of Shareholder	No. of Shares	Pre Issue % Holding
1.	Mr. Shaukat S. Tharadra	1,85,80,100	74.29
2.	Mr. Hitesh Ajmera	7,90,000	3.16
3.	Mr. Azamkhan F. Lohani	6,30,000	2.52
4.	Anjana Projects Limited	5,00,000	2.00
5.	Silvercross Marketing Private Limited	5,00,000	2.00
6.	Mrs. Shahida S. Tharadra	4,20,000	1.68
7.	Mr. Amal N. Parikh	4,00,000	1.60
8.	Mr. Jyoti Vardhan Sonthalia	4,00,000	1.60
9.	Mr. Rajesh D. Chaturvedi	3,00,000	1.20
10.	Ms. Ritika Kumar	3,00,000	1.20

6. Particulars of top ten shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as under -

Sr. No.	Name of Shareholder	No. of Shares	Pre Issue % Holding
1.	Mr. Shaukat S. Tharadra	78,55,000	92.19
2.	Mr. Azamkhan F. Lohani	3,15,000	3.70
3.	Mrs. Shahida S. Tharadra	2,10,000	2.46
4.	Mr. Abdulla K. Musla	35,000	0.41
5.	Mr. Bashirkhan R. Chouhan	35,000	0.41
6.	Mr. Ismail A. Rahim Sulia	35,000	0.41
7.	Mr. Rashid I. Tharadra	35,000	0.41

7. Our Directors, Promoter and Promoter Group have not purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus was filed with SEBI.

8. Shareholding pattern before and after the Issue

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

	Category	Pre Issue		Post Issue	
		Number of Shares	%	Number of Shares	%
	Promoter				
	Mr. Shaukat S. Tharadra	1,85,80,100	74.29	1,85,80,100	51.60
	Promoter Group				
	Mrs. Shahida S. Tharadra	4,20,000	1.68	4,20,000	1.17
A.	Total Promoter and Promoter Group	1,90,00,100	75.97	1,90,00,100	52.76
B.	Others	60,10,000	24.03	[•]	[•]
C.	Public	Nil	Nil	[•]	[•]
	TOTAL	*2,50,10,100	100.00	3,60,10,100	100.00

* Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Net Issue to the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC. If the Pre-IPO Placement is completed, the pre-Issue no. of shares will be accordingly modified.

OBJECTS OF THE ISSUE

The objects of the issue are as under:

A. For setting up of facilities at Manor, district Thane:

- Refinery of 200 TPD which can process Sunflower, Soyabean, Groundnut, Palm, Cotton Seed oils.
- Crushing unit of 200 TPD for Groundnut and Copra
- Palm Fractionation unit of 100 TPD and Vanaspati Ghee of 50 TPD
- Ayurvedic and Cosmetic unit of 5 TPD
- In house Blow Moulding Plant for PET Bottles

B. For setting up of Crushing unit of 200 TPD for Sesame and Mustard at Bagru, district Jaipur:

2. To meet margin money for Working Capital Requirements
3. For Brand Promotion and Expansion of Marketing & Distribution Network
4. For setting up of Research and Development facilities
5. To meet issue expenses and
6. To get the shares listed on the Stock Exchanges.

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

FUND REQUIREMENT

The total estimated funds requirement for the above-mentioned Objects of this Issue is as under –

Sr. No.	Particulars	Amount (Rs. in lacs)
1	A. Setting up of facilities at Manor	4904.06
	• Refinery of 200 TPD of Sunflower, Soyabean, Groundnut, Palm and Cotton Seed • Crushing unit of 200 TPD for Groundnut and Copra • Palm Fractionation unit of 100 TPD and Vanaspati Ghee unit of 50 TPD • Ayurvedic and Cosmetic unit of 5 TPD • Blow Moulding Plant for Pet Bottles	2,902.37 642.72 1005.71 107.89 245.37
	B. Setting up of Crushing unit of 200 TPD for sesame and Mustard at Bagru, district Jaipur	2,569.18
2	Professional and Consultancy Fees	329.40
3	Research & Development facilities	136.64
4	Miscellaneous and other Assets	90.00
5	Provision for Contingencies	206.00
6	Margin Money for Working Capital Requirements	1,466.80
7	Brand Promotion and Expansion of Marketing & Distribution Network	900.00
8	Public Issue Expenses	[•]
	Total	[•]

Our Company intends to utilize the proceeds of this issue as stated above, after deducting underwriting and management fees, selling commission and other Public Issue expenses associated with this issue.

The above mentioned fund requirement is proposed to be funded by way of this Issue and internal accruals. The proposed means of finance are as under –

Sr. No.	Particulars	Amount (Rs. in lacs)
1.	Proceeds from this Present Public Issue	[●]
2.	Internal Accruals	[●]
	Total	[●]

In case of shortfall, if any, shall be met out of internal accruals. As per the audited Profit and Loss account for Financial Year ended on December 31, 2007, our cash profit stands at about Rs. 1,894.62 lacs. We intend to deploy excess money, if any, for general corporate purposes.

The project has not been appraised by external agencies and as such all the funds requirements are based on management estimate. No part of the issue proceeds will be paid as consideration to Promoter/ Directors/ Key Managerial Personnel, Associate or Group Companies.

DETAILS OF THE PROPOSED PROJECT

At present our Company has a capacity to manufacture 5000 TPA of crushing and 30,000 TPA of oil filtration. Considering the growth prospects in this segment and to consolidate our position in the market place, we intend to diversify ourselves into manufacture of other products and also to forward integrate by setting up a facility for refining. Further, the expansion of crushing capacity would reduce our dependence on third party oil seeds crushers. On completion of this project, our company will be in a position to offer a wide product range and complete value chain in edible oil. Also, we will be in a position to market our products pan India by leveraging our brands and by strengthening our marketing and distribution network.

To meet this objective we propose for the present issue.

A. PROPOSED EXPANSION PROJECT AT MANOR

We propose to set up the following facilities at an estimated cost of Rs. 4,904.06 lacs:

1. Refinery unit of 200 TPD of sunflower, soyabean/groundnut/palm/cotton seed processing plant;
2. Crushing unit of 200 TPD for groundnut/copra.
3. Palm Fractionation unit of 100 TPD and Vanaspati Ghee of 50 TPD
4. Ayurvedic and Cosmetic unit of 5 TPD and
5. In-house blow moulding plant for PET bottles

Detailed break-up of each of these facilities is enumerated hereunder:-

1. Refinery of 200 TPD of Sunflower, Soyabean, Groundnut, Palm and Cotton Seed (Rs. 2902.37 lacs)

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Land & Site Development	238.30
b.	Building	563.33
c.	Plant & Machineries	2,070.74
d.	Furniture & Fixtures	30.00
	Total	2,902.37

a. Land & Site Development

Our Company has acquired land situated at Gut. No. 4 and 6/3 (part P) Village Ten (Manor), Taluka Palghar, District Thane admeasuring 16,187 Square Meters from Bharat PVC Industries Private Limited for a consideration (including registration and other incidental costs) of Rs. 11.62 lacs on May 17, 2006. We incurred Rs. 226.68 lacs towards levelling, construction of road, compound wall etc. We propose to set up refinery unit, crushing unit, palm fractionation unit, vanaspati ghee, ayurvedic and cosmetic unit and blow moulding plant. We confirm that the said land is registered in the name of our Company and is free from all encumbrances.

b. Building and Civil Works

The cost of construction of building and civil works as per the estimate dated March 25, 2008 from M/s. Industrial Corporate Service, Mumbai is as under:

Sr. No.	Particulars	Area (sq. ft.)	Rate / sq. ft. (Rs.)	Amount (Rs. in lacs)
1	Staff Quarters	21641	850	183.95
2	Refinery Plant (MS Structure)	10000	850	85.00
3	Refinery Shed	8000	1,000	80.00
4	ETP	-	-	35.00
5	Oil Storage Tank	5600	550	30.80
6	Lab Department	2000	1,500	30.00
7	Canteen Guest House	2500	850	21.25
8	Briquating (Boiler Room)	2000	850	17.00
9	Administrative Building	1271	850	10.80
10	Electrical Sub-Station	5382	200	10.76
11	Chemical Godown	1214	850	10.32
12	Work Shop	1214	850	10.32
14	Boiler House	1000	850	8.50
15	Acid Oil Plant	875	850	7.44
16	DG Set	1000	500	5.00
17	Cooling Pond	689	600	4.13
18	Pump House	400	850	3.40
19	Over Head Water Tank	400	850	3.40
20	Toilet Block	225	850	1.91
21	Meter Room/ DG Room	180	1,000	1.80
20	Time Office	200	850	1.70
21	Watchman Cabin	100	850	0.85
	Total			563.33

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

c. Plant & Machineries

We intend to purchase the following plant and machineries for the refinery unit.

Sr. No.	Particulars	Name of Supplier	Quotation No.	Quotation Date	Amount (Rs. in lacs)
1	Refinery Plant of 200 TPD and Erection & Commissioning charges	Alfa Laval	OPT:2006/10284 R1 and OPT:2008/ 10026	30.1.2008	1,313.31
2	Heat & Cold Insulation	A. K. Insulation	M/S/Feb. 2008	12.2.2008	21.99
3	Primer Coat, Red Oxide and Painting	Mr. Mohammad Gafur Shakh, Painter	129	25.03.2008	27.90
4	Cooling Tower with Erection Charges	Modern Engg. Co.	MEC/CT/08/2008	8.1.2008	7.56
5	Pumps	Radehe Ind.	C&H/VS/07-08/Rev	4.2.2008	8.25
6	Pipes, Valves & etc.	Radehe Ind.	C&H/VS/07-08/Rev	4.2.2008	2.06
7	Effluent Treatment Plant	Anandi Specialties	397/proj-Mum-2008	11.2.2008	21.74
8	Oil Storage Tanks	Mala Fabricators	Nil	29.1.2008	271.96
9	Intermediate Storage Tanks	J. P. Fabrication Works	JP/RAJ/091	4.02.2008	4.95
10	Combipac Solid Fuel – IBR Boiler	THERMAX	C&H/VS/07-08/Rev 0	2.02.2008	69.84
11	RICO Briquetting Press	Radehe Ind.	C&H/VS/07-08/Rev	2.2.2008	36.53
12	Lab Equipments	Bio-incorp	BI/08	6.2.2008	10.28
13	Electric Installation:				
A	Power generator 600KVA	Goel Power	GPEQ/K -264/07-08	10.1.2008	39.58
B	Power generator 320KVA	Goel Power	GPEQ/K -264/07-08	10.1.2008	20.75
C	Capacitors	Kamlesh Electric	KE/2007-08	2.2.2008	82.45
D	Payment for obtaining Licences and Deposits	Kamlesh Electric	NIL	11.2.2008	34.94
E	Transformer	Kamlesh Electric	NIL	11.2.2008	17.59
F	Circuit Breakers & Switches, Earthling etc.	Kamlesh Electric			17.18
G	Miscellaneous Equipments	Kamlesh Electric	NIL	11.2.2008	61.88
	Total				2,070.74

d. Furniture & Fixtures:

We estimate an amount of Rs. 30.00 lacs towards furnishing the refinery unit.

2. Crushing unit of 200 TPD for groundnut/copra.

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Factory Shed	250.00
b.	Plant & Machineries	390.72
c.	Furniture & Fixtures	2.00
	Total	642.72

a. Factory Shed:

The Cost of construction of factory shed as per the estimate dated March 25, 2008 from M/s. Industrial Corporate Service, Mumbai is as under:

Sr. No.	Particulars	Area (Sq. Ft.)	Amount (Rs. In lacs)
1	Shed Work:		
a	Cake & Seed Godown	8,000	80.00
b	Filter Section	2,000	20.00
c	Expeller Section	10,000	100.00
2	MS Structure & Material		35.00
3	Extra Foundation in plinth below machineries		15.00
	Total		250.00

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

b. Plant & Machineries

We intend to set up Crushing unit of 200 TPD for Groundnut and Copra. We have obtained the quotation for the complete turnkey project from M/s. Alfa Engineering Works, Vikroli, Mumbai vide their Quotation No. 164 dated April 25, 2008 amounting Rs. 390.72 lacs.

Sr. No.	Description	Amount (Rs. in lacs)
1	ALFA Seed cleaner in MS construction to clean the seed and remove dust and impurities	4.13
2	ALFA Ground Nut Decorticator	11.80
3	ALFA Husk Cleaner	4.13
4	ALFA Ventury for husks	7.08
5	ALFA cutter	1.77
6	ALFA Disintegrator	1.77
7	ALFA Cooking Kettle	10.62
8	<u>ALFA Oil expellers</u> : Oil Expeller having chamber dia 10 X 8 in MS/CS construction	27.84
9	<u>ALFA Oil expellers</u> : Oil Expeller having chamber dia 9 X 7 in MS/CS construction	27.13
10	<u>ALFA Elevator</u> : bucket type elevator in ms construction consist elevator chain in CS bucket in MS construction, box in MS Sheet construction suitable upto 100 TPD	15.10
11	ALFA Screw Conveyor distributor and flow controller in construction conveyor gates for controlled feed to Mseach expeller machine (For auto control as per requirement)	8.26
12	ALFA Filter Press : 36" X 36" X 36 nos. plates with tightening screw in CS construction with pumps	33.03
13	Steel Structure and Oil Tanks	61.35

14	Electricals with Fitting 75 HP	45.30
15	Electricals with Fitting 15 HP	1.06
16	Electricals with Fitting 3 HP	6.37
17	Electricals with Fitting 3 HP	1.24
18	E. L. Panel	18.88
19	Oil Shut and Panaras	1.65
20	Oil Pump	2.93
21	Pipe Valves & Fitting	5.90
22	Reduction Gear Box	0.40
23	Bolts & Nut Bolts / Misc. Bolts	2.36
24	Ancillary Spares Parts	11.80
25	Painting / First Fill of Lubricants	4.72
26	Electricals with Fitting & Spares etc. for Groundnut	74.10
	Total	390.72

c. Furniture & Fixtures

We estimate an amount of Rs. 2.00 lacs towards furnishing the crushing unit for groundnut / copra.

3. Palm Fractionation unit of 100 TPD and Vanaspati Ghee unit of 50 TPD

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Factory Shed	40.00
b.	Plant & Machineries	955.71
c.	Furniture & Fixtures	10.00
	Total	1,005.71

a. Factory Shed

We intend to build factory shed and Godown with RCC frame steel structure roofing admeasuring 4,000 Sq. Feet. We have obtained Quotation dated February 12, 2008 from M/s. D. P. Associates for Rs. 40.00 lacs for the same.

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

b. Plant & Machinery

We intend to purchase the following plant and machineries for the Palm Fractionation unit.

Sr. No.	Particulars	Name of Supplier	Quotation No.	Quotation Date	Amount (Rs. in lacs)
1	Fractionation Plant	Alfa Level	OPT:2008:10013	11.1.2008	508.46
2	Intereastrification (Vanaspati Plant)	Alfa Level	OPT:2008:10066	10.3.2008	213.00
3	Cold Room	REFCON	REFCON/OFF-827/2008	8.4.2008	157.47
4	Margarine and Bakery Shortening Plant	Unitech Engg Co.	4898/2007-08	2.4.2008	76.78
	Total				955.71

c. Furniture & Fixtures

We estimate an amount of Rs. 10.00 lacs towards furnishing the Palm Fractionation unit.

4. Ayurvedic and Cosmetic unit of 5 TPD

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Factory Building	56.00
b.	Plant & Machineries	46.89
c.	Furniture & Fixtures	5.00
	Total	107.89

a. Building

We intend to build factory building with RCC framed structure roofing. We have obtained following Quotation from M/s. Industrial Corporate Services vide Quotation No. EST/08/05 dated February 3, 2008. The details of which are as follows:

Sr. No.	Particulars	Area (Sq. Ft.)	Amount (Rs. In lacs)
1	Construction for Factory Building	4,000	48.00
2	Construction for Godown Building	1,000	8.00
	Total		56.00

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

b. Plant & Machineries

We have obtained Quotation No. UT/F/Q-0431/07-08 dated February 12, 2008 from M/s. United Technologies, Thane. The details are as under -

Sr. No.	Particulars	Amount (Rs. in lacs)
1	Homogenizer Fitted on Stand SS304	1.56
2	Stirrer Motor Fitted on Stand SS304	1.22
3	Filter Fitted on Trolley with Pump	2.06
4	Filter Fitted on Trolley with Pump	0.76
5	Auto Filling with 4 syringes of 250 ml	4.59
6	Semi-Automatic Filling	0.86
7	Semi-Automatic Filling with Diving Nozzle	1.07
8	Online Bucket Filters	1.93
9	Motorised Cream/ Lotion Filling Mach.	1.49
10	S.S.Vessel	1.50
11	S.S.Vessel	2.87
12	Storage Tank for Raw Material	9.91
13	Storage Over Head Tank and Storage Water Tank	12.39
14	MS Structure of Overhead Tank	2.95
15	Automatic D.M Plant (25 Litres)	0.50
16	Raw Water Pump	0.10
17	Softner (25 Litres)	0.28
18	Miscellaneous Equipments	0.85
	Total	46.89

c. Furniture & Fixtures

We estimate an amount of Rs. 5.00 lacs towards furnishing the Ayurvedic and Cosmetic unit.

5. Blow Moulding Plant for Pet Bottles (Rs. 245.37 lacs)

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Factory Shed	59.90
b.	Plant & Machineries	180.47
c.	Furniture & Fixtures	5.00
	Total	245.37

a. Factory Shed

We intend to build factory shed with RCC frame steel structure roofing admeasuring 4,672 Sq. Feet and RCC Godown admeasuring 1,000 Sq. Ft. The expected expenditure as given by M/s. Industrial Corporate Services, Mumbai vide their Quotation No. EST/08/05 dated February 13, 2008 is as under:

Sr. No.	Particulars	Area (Sq. Ft.)	Amount (Rs. In lacs)
1	Construction for Factory Shed	4,672	44.62
2	Construction for Godown Building	1,600	15.28
	Total		59.90

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

b. Plant & Machinery

We intend to purchase the following plant and machineries for the Blow Moulding Plant for PET Bottles.

Sr. No.	Particulars	Name of Supplier	Quotation No.	Quotation Date	Amount (Rs. in lacs)
1	Double Station Automatic Blow Moulding Machine	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	113.59
2	Chilling Plant	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	10.17
3	Air Compressors	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	7.56
4	Grinders	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	6.13
5	Cooling Tower	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	2.06
6	Moulds & Dyes	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	12.47
7	Water Pumps	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	0.68
8	Cooling Accessories as flexible Pipes and Fittings	Jagmohan Pla-Mach Pvt. Ltd.	JMPL/L/658/07-08	8.1.2008	2.28
9	Electric Oven Krane	DBS Electric Works	Nil	10.2.2008	5.06
10	Air Dryer Gems	DBS Electric	Nil	11.2.2008	1.52

	Equipments	Works			
11	Screen Printing Machines	Techno Industries	TI/109/2007-08	14.2.2008	9.89
12	CR Refrigerated Air Dryer	SS Lubricants	Nil	10.2.2008	3.43
13	Electric Fittings, Switches and Miscellaneous items	Bijlee Ghar Sanjay Electronics	Nil SE/105/08	6.02.2008 7.02.2008	5.63
	Total				180.47

c. Furniture & Fixtures

We estimate an amount of Rs. 5.00 lacs towards furnishing the Blow Moulding plant.

B. Crushing unit of 200 TPD for Sesame and Mustard at Bagru, district Jaipur

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Land & Site Development	417.89
b.	Building	673.19
c.	Plant & Machineries	1,458.10
d.	Furniture & Fixtures	20.00
	Total	2,569.18

a. Land & Site Development

Our Company has acquired land situated at plot no. F-9 admeasuring 2,827 Square Meters and plot no. F-10 admeasuring 1,900 Square Meters from Rajasthan State Industrial Development & Investment Corporation Ltd. at RIICO, Bagru, Jaipur for Rs. 128.05 lacs and Rs. 64.15 lacs respectively. For further details, please refer to the section titled “Properties” starting from page no. [●] of this Draft Red Herring Prospectus. Our Company has also incurred expenditure for levelling the plot, making compound wall and other site development amounting Rs. 50.10 lacs and Rs. 2.92 lacs on other miscellaneous expenditure.

Our Company propose to acquire additional land admeasuring about 3,000 Square Meters for an estimated cost of Rs. 172.00 lacs including site development expenditure near existing land for creating warehouse facility.

b. Building

Our Company propose to construct RCC sheds for kolhu block, expeller sections, Godown for Mustard Seeds, Sesame Seeds and Cake and RCC building for staff quarters and administrative office.

We have obtained Quotation dated January 6, 2008 from M/s. D & P Associate, Thane. The details of break up for the same is as under -

Sr. No.	Particulars	Area (Sq. Ft.)	Amount (Rs. In lacs)
1	RCC Work:		
a	Staff Quarters	3,640	29.11
b	Tin Shed	500	4.00
c	Administrative Blocks	1,224	9.79
d	Oil Pack Section	5,100	40.80
e	Cake Godown	3,060	24.48
f	Seed Godown	4,080	32.64
g	Raw Material & Packing	13,464	107.71
2	Shed Work:		
a	Kolhu Block	1,650	12.38
b	Expeller Section	3,785	28.39
c	Mustard Godown	2,141	16.06
d	Til Godown	1,000	7.50
e	Filtration for Kolhu Oil	1,536	11.52
f	Cake Godown	2,241	16.81
g	Boiler House	400	3.00
h	MS Structure & Material	-	96.00
i	Extra Foundation in Plinth below Machinery	-	63.00
3	Factory Shed & Godown	20,000	170.00
	Total		673.19

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

c. Plant & Machineries

We intend to purchase the following plant and machineries for the crushing unit.

Sr. No.	Particulars	Name of Supplier	Quotation No.	Quotation Date	Amount (Rs. in lacs)
1	Seed Cleaner	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	6.19
2	Kolhus	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	55.01
3	Oil Expellers	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	99.62
4	Elevators	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	15.75
5	Screw Conveyor	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	16.97
6	Chain Conveyor	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	9.08
7	Filter Press with	Maruti Engineering	MEW/2007-08/92	22.1.2008	32.65

	Pumps	Works			
8	Steel Structure, Oil Tanks and Oil Dryer	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	54.85
9	Electric Fittings	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	24.37
10	Oil Shut and Panaras	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	2.95
11	Steam Boiler Fitting	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	15.75
12	Other Ancillary Machineries	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	27.20
13	Filtration Dpmt. Mez Floor	Mala Fabrics	NIL	29.1.2008	11.00
14	Expeller Dpmt. Mez Floor	Mala Fabrics	NIL	29.1.2008	15.48
15	Oil Storage Tank	Mala Fabrics	NIL	29.1.2008	106.00
16	Oil Storage Square Tank	Mala Fabrics	NIL	29.1.2008	10.56
17	Electric Fittings, Transformer CB, PB, Cable	Kamlesh Electric	NIL	11.2.2008	66.97
18	Miscellaneous Assets*	Various Suppliers			50.00
19	Seed Cleaners	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	2.06
20	Ground Nut Dicorticator	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	5.90
21	Husk Cleaner	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	2.06
22	Ventury for husks	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	3.54
23	Cutter	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.88
24	Disintegrator	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.88
25	Cocking Cattle	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	5.31
26	Oil Expellers	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	13.92
27	Oil Expellers	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	13.57
28	Elevators	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	7.55
29	Screw Conveyor	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	4.13
30	Filter Press with Pumps	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	16.52
31	Steel Structure & Oil Tanks	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	30.67
32	Electrical with Fittings	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	11.33
33	Electrical with Fittings	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.53
34	Electrical with	Maruti Engineering	MEW/2007-08/92	22.1.2008	3.19

	Fittings	Works			
35	Electrical with Fittings	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.62
36	E. L. Panel	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	9.44
37	Oil Shut & Panaras	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.83
38	Oil Pumps	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	1.46
39	Pipe Valves & Fittings	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	2.95
40	Reduction Gear Box	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	0.20
41	Bolts & Nut Bolts/ Misc. bolts	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	1.18
42	Ancillary Spare Parts	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	5.90
43	Painting/ First fill Of Lubricants	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	2.36
44	Electrical With Fitting & Spares etc.	Maruti Engineering Works	MEW/2007-08/92	22.1.2008	74.10
45	Big Storage Tank For Mustard Oil	Amar Rolling	Nil	22.1.2008	216.61
46	Big Storage Tank For Till & G.N	Amar Rolling	Nil	22.1.2008	216.61
47	Filling Machine for 5 litres	Spanfilling System	SP/RAJ OIL/08-363c	4.2.2008	38.97
48	Filling Machine For 15 litres jar & tins	Spanfilling System	SP/RAJ OIL/08-363c	4.2.2008	42.54
49	filling machine FOR 1 litre Pouch Filling	Samarpan Fabricat	P1010	4.2.2008	18.65
50	Filling Machine For 200 & 500 ml pet bottle	Sri Laxmi Industries	7894/2008	31.1.2008	50.08
51	Filling Machine For 1 litre pet bottle	Sri Laxmi Industries	7894/2008	31.1.2008	5.85
52	On line Bucket Filter	Vihar eng.			9.36
53	Induction Heater	Electronic Devices	ED/Sales/08	1.2.2008	11.06
54	Conveyor Slat	Electronic Devices	ED/Sales/08	1.2.2008	1.93
55	Inkjet Printer	Domino	DPIL/KVR/RAJ	1.2.2008	3.20
56	Rewinding Machine	Trivedi	TSS/07-08/1712	2.2.2008	1.77
	Total				1,458.10

*We shall require various kinds of miscellaneous items from various suppliers. The quotations for the same are yet to obtain.

d. Furniture & Fixtures

We estimate an amount of Rs. 20.00 lacs towards furnishing the Crushing unit for Sesame and Mustard unit.

Notes:

1. Our Company does not intend to purchase any second hand machinery.
2. None of the vendors of the plant and machineries are related to our Promoter or Promoter Group.

2. PROFESSIONAL AND CONSULTANCY FEES

We have appointed M/s. Neotech Consultants (Mr. M. M. Bhargava), Navi Mumbai as project consultant on January 15, 2008 for providing consultancy on designing, advising, ascertaining the project cost for the proposed projects at Manor and Jaipur. The fee payable to him will be 5% of the cost of plant and machineries proposed to be set up at Manor and Jaipur, which works out to Rs. 291.81 lacs including Service Tax, as applicable.

Mr. M. M. Bhargava has vast experience of about four decades in edible oil industry. He started his career in 1969 as a Chemist with Mansighka Group (carrying out edible oil business). He joined Birla Group, in 1975 and was incharge of installation of new projects for Oil Refinery and Vanaspati Plants. His last assignment in service was with Reliable Extraction Industries Limited as Chief Technical Executive before starting his own Technical Consultancy business (M/s. Neotech Consultants) in 1992. Since then, he has provided consultancy services on setting up of edible oil mills, solvent extraction plants, oil refineries, vanaspati plants about 30 projects with three projects in Africa, Iran and Russia.

Further, our Company has appointed Mr. Milind P. Patil of M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to prepare building design & plan and look after the factory shed and building construction. The fee payable to him will be 2% of the civil and structure works, which works out to Rs. 37.58 lacs including Service Tax, as applicable.

3. RESEARCH & DEVELOPMENT FACILITIES

Sr. No.	Particulars	Amount (Rs. in lacs)
a.	Building	30.00
b.	Plant & Machineries	91.64
c.	Furniture & Fixtures	15.00
	Total	136.64

a. Building

Our Company propose to set up R & D facility at Manor on our existing land. The building will be RCC structure and total area will be about 2,000 Square Feet. We have obtained Quotation dated February 3, 2008 from M/s. Industrial Corporation Service, Mumbai for an amount of Rs. 30.00 lacs for the same.

Our Company has appointed M/s. M. P. Prime Structures as consulting engineers on December 28, 2007 to design and plan the above mentioned construction work. We are yet to make an application to the relevant authorities for seeking their approval for construction.

Plant & Machineries

Sr. No.	Particulars	Name of Supplier	Quotation No.	Quotation Date	Amount (Rs. in lacs)
1	U.V.Visible Spectrophotometer	Toshvin	SHIA/078BCV-548	1.2.2008	8.70
2	Gas Chromatograph	Toshvin	SHIA/078BCV-548	1.2.2008	46.25
3	Atomic Absorption	Toshvin	SHIA/078BCV-	1.2.2008	14.20

	Spectrophotometer		548		
4	Fourier Transfer Infrared-Spectrometer.	Toshvin	SHIA/078BCV-548	1.2.2008	10.54
5	Water Bath Temperature	Doshi Trading Co	2007-08/DTC4269	9.1.2008	0.62
6	Visible Spectrophotometer	Doshi Trading Co	2007-08/DTC4269	9.1.2008	0.55
7	Lovibond Tintometer	Doshi Trading Co	2007-08/DTC4269	9.1.2008	2.81
8	Vaccum Pump	Doshi Trading Co	2007-08/DTC4269	9.1.2008	0.27
9	Miscellaneous Equipments	Various Suppliers	2007-08/DTC4269	9.1.2008	7.70
	Total				91.64

Furniture & Fixtures

Our Company expects to incur about Rs. 15.00 lacs towards various Furniture and Fixture required for this facility.

4. MISCELLANEOUS AND OTHER ASSETS (RS. 90.00 LACS)

- A.** Our Company intends to purchase two oil tankers. We have received quotation for the same from M/s. Fortpoint Automotive Mumbai Pvt. Ltd. vide their Proforma Invoice dated January 15, 2008 for Rs. 24.20 lacs for Chasis and M/s. Hindustan Body Repairs Tanker vide their Quotation No. HBR/RAJ/009/1-08 dated January 17, 2008 amounting to Rs. 15.80 lacs for the same.
- B.** Our Company plans to spend about Rs. 50.00 lacs on Computers, Software and other hardware for our smooth functioning, specially marketing and distribution network. We have received quotation for some of the hardware and software from M/s. Best It World (India) Pvt. Ltd. vide their Quotation No. BIW/08-09/04/03 dated April 03, 2008, as under –

Sr. No.	Particulars	Amount (Rs. in lacs)
1	IBM Server & Software	13.65
2	Vmware Server	9.54
3	Tally Server	7.21
4	Software & Services	9.18
	Total	39.58

The quotations for the remaining amount are yet to be obtained.

5. PROVISION FOR CONTINGENCIES (206.00 LACS)

Our Company has created Rs. 206.00 lacs towards Contingencies cost escalation, which is about 3% of plant and machineries and buildings.

6. MARGIN MONEY FOR WORKING CAPITAL REQUIREMENT (RS. 1,466.80 LACS)

We have estimated additional Margin Money required for Working Capital at around Rs. 1466.80 lacs, the details of the same are as under –

Sr. No.	Particulars	No. of days	Financial Year 2007	Financial Year 2008	Financial Year 2009
(A)	Current Assets				
1	Accounts Receivable	45	5,345.40	4,880.39	10,174.94
2	Finished Goods	12	138.24	1,190.04	2,330.39
3	Work in Progress	3	-	297.51	582.60
4	Raw Material	30	570.71	2,538.72	4,891.97
5	Packing Material		59.29	63.47	255.84
	Total (A)		6,113.64	8,970.13	18,235.74
(B)	Current Liabilities				
1	Accounts payable	30	1,675.40	2,832.60	5,524.32
(C)	Working Capital Requirement (A-B)		4,438.64	6,137.53	12,711.42
(D)	Bank Finance		715.88	2,000.00	7,107.10
(E)	Additional Margin Money Requirement (C - D)		3,722.36	4,137.53	5604.33

The Margin for Working Capital Requirement will be:

	(Rs. in lacs)
Total Margin for Working Capital required for FY 2009:	5,604.33
Total Margin for Working Capital required for FY 2008:	4,137.53

Additional amount required as Margin for Working Capital:	1,466.80

7. BRAND PROMOTION AND EXPANSION OF MARKETING & DISTRIBUTION NETWORK (RS. 900 LACS)

Brands are a means of differentiating an entity's products and services from those of its competitors. Customers pay a substantial price premium for a popular brand and remain loyal to that brand. In line with our Company's plans to further strengthen our three umbrella brands viz., 'Cocoraj', 'Guinea' and 'Raj', we propose to increase our market share in Edible Oil Industry by carrying out following Brand promotion activities -

- Brand Promotion and Advertisement
- Training and Staff Development
- Sales Promotion
- Expansion of Distribution and Marketing Network

Total expenditure to be incurred on these activities is estimated at Rs. 900 lacs. The details of the same is as under -

Brand Promotion and Advertisement (Rs. 430 lacs)

Our most of the products are sold under our three umbrella brands viz., 'Cocoraj', 'Guinea' and 'Raj'. These brands are in existence for more than 5 decades. We are proposing to further strengthen these brands to increase our market share in Edible Oil Industry. As a brand promotion exercise, we shall be releasing advertisements in print and electronic media at national level. We propose to appoint an Ad Agency to develop a compressive plan for our Brand Promotion including creative and themes. We also propose to appoint a celebrity as Brand Ambassador.

We also propose to set up Ayurvedic and Cosmetic unit at Manor. Our proposed Ayurvedic and Cosmetic products will be oil based only. We have recently introduced ‘Cocoraj Cool’ and ‘Cocoraj Jasmine’ and proposing to expand further our product range. For this we shall require to promote these new brands aggressively. We estimate to incur an expenditure of about Rs. 430 lacs for this purpose.

Training and Staff development (Rs. 20 lacs)

We have planned to develop in house training facilities for our marketing and sales team. We shall train our marketing and sales personnel by sending them to other professional centers for updating their skills and knowledge with their personality development and improving customer relationship. We plan to have regular conferences for our distributors, retailers and franchising to update them regarding our marketing strategy and new products range. We estimate to incur an expenditure of about Rs. 20 lacs for this purpose.

Sales Promotion (Rs. 200 lacs)

As our sales promotion strategy, we have to undertake various sales promotion activities like trade contest, gift vouchers, pamphlets, brochures, free distribution of samples, supply promotional material and participation in exhibitions, trade fairs and events etc. as required for increasing our market share and consumer awareness. We estimate to incur an expenditure of about Rs. 200 lacs for this purpose.

Expansion of Marketing and Distribution Network including Setting-up outlets at Shopping Malls across the country (Rs. 250 lacs)

In order to achieve pan India presence, we propose to expand our existing Marketing and Distribution Network. We have planned to set up rented outlets at Shopping Malls across the country and set up own rented warehousing facilities at strategic locations including the proper mode of logistics for timely supply of our products and maintaining customer relationship. We estimate to incur an expenditure of about Rs. 250 lacs for this purpose.

8. PUBLIC ISSUE EXPENSES (RS. [●] LACS)

The expenses of this issue which includes fees payable to BRLMs to the Issue, Registrars to the Issue, Legal Advisors to the Issue, Auditors, Underwriting Commission, Selling Commission, Escrow Banker’s charges, Printing and Stationery, Advertisement Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The total estimated expenses are Rs. [●] lacs which is [●] % of the Issue size. The details of the expenses are as given below:

Activity	Amount (Rs. In lacs)	% of Issue Expenses	% of Issue Size
Fees to Book Running Lead Managers	[●]	[●]	[●]
Fees to Registrar to the Issue	[●]	[●]	[●]
Fees to Legal Advisor to the Issue	[●]	[●]	[●]
Fees to Auditors	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Selling Commission	[●]	[●]	[●]
Escrow Bankers Charges	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Printing & Stationery	[●]	[●]	[●]
Advertisement Expenses	[●]	[●]	[●]
Other Expenses (including filing fees, listing fees, depository charges etc.)	[●]	[●]	[●]
Contingencies	[●]	[●]	[●]
Total	[●]	[●]	[●]

Schedule of Implementation

The following is the projects wise details of implementation schedule for our proposed projects -

1. Setting up of 200 TPD Refinery at Manor

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land	Already Acquired	Completed
2	Site Development	Already Completed	Completed
3	Placement of order for Plant & Machineries	Yet to be placed	August, 2008
4	Factory Shed and Other Civil Work	Already Appointed Structural Engineers and finalized Contractors.	November, 2008
5	Delivery of Machineries	Yet to Receive	December, 2008
6	Erection of Machineries	Yet to Commence	December, 2008
7	Installation of Storage Tank	Yet to Commence	December, 2008
8	Electric Installation	Yet to Commence	December, 2008
9	Trial Run		January, 2009
10	Commercial Production		February, 2009

2. Setting up of Crushing Plant of 200 TPD at Manor

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land	Already Acquired	Completed
2	Site Development	Already Completed	Completed
3	Factory Shed and Other Civil Work	Already Appointed Structural Engineers and finalized Contractors.	November, 2008
4	Placement of order for Plant & Machineries	Yet to Place Order	August, 2008
5	Delivery of Machineries	Yet to Receive	December, 2008
6	Erection of Machineries	Yet to Commence	December, 2008
7	Installation of Storage Tank	Yet to Commence	December, 2008
8	Electric Installation	Yet to Commence	December, 2008
9	Trial Run		January, 2009
10	Commercial Production		February, 2009

3. Setting up of 200 TPD Crushing Plant at Jaipur

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land	Already Acquired	Completed
2	Site Development	Already Completed	Completed
3	Factory Shed and Other Civil Work	Already Appointed Structural Engineers and finalized Contractors	November, 2008
4	Placement of order for Plant & Machineries	Already appointed Structural Engineers and finalized Contractors. Order for Plant & Machineries are yet to place	August, 2008
5	Delivery of Machineries	Yet to receive	December, 2008
6	Erection of Machineries	Yet to commence	December, 2008
7	Installation of Storage Tank	Yet to commence	December, 2008
8	Electric Installation	Yet to commence	December, 2008
9	Trial Run	Yet to commence	January, 2009
10	Commercial Production		February, 2009

4. Palm Fractionation unit of 100 TPD and Vanaspati Ghee unit of 50 TPD

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land & Site Development	Not applicable	Not applicable
2	Buildings	Already appointed Structural Engineers and finalised contractors	October, 2008
3	Placement of order for Plant & Machineries	Yet to be placed	October, 2008
4	Delivery & Erection of Machineries	Yet to commence	November, 2008
5	Trial Run	Yet to commence	December 2008
6	Commercial Production	Yet to commence	December 2008

5. Ayurvedic and Cosmetic unit of 5 TPD

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land & Site Development	Not applicable	Not applicable
2	Buildings	Already appointed Structural Engineers and finalised contractors	March, 2009
3	Placement of order for Plant & Machineries	Yet to be placed	March, 2009
4	Delivery & Erection of Machineries	Yet to commence	April, 2009
5	Trial Run	Yet to commence	May 2009
6	Commercial Production	Yet to commence	June 2009

6. Blow Moulding Plant for PET Bottles

Sr. No.	Activities	Status	Date of Completion
1	Acquisition of Land & Site Development	Not applicable	Not applicable
2	Buildings	Already appointed Structural Engineers and finalised contractors	November, 2008
3	Placement of order for Plant & Machineries	Yet to be placed	November, 2008
4	Delivery & Erection of Machineries	Yet to commence	December, 2008
5	Trial Run	Yet to commence	January, 2009
6	Commercial Production	Yet to commence	January, 2009

Deployment of funds

The details of the sources and deployment of funds as on May 15, 2008 as certified by M/s. M. K. Gohel & Associates, Chartered Accountants, the Statutory Auditor of our Company vide their certificate dated May 27, 2008 is as follows:

Deployment of funds at Manor

Sr. No.	Particulars	Amount (Rs. in lacs)
1	Land & Site Development	238.30
2	Advance for Building Contractors	100.14
Total		338.44

Deployment of funds at Jaipur

Sr. No.	Particulars	Amount (Rs. In lacs)
1	Land & Site Development	245.22
2	Advance for Machinery Suppliers	334.00
Total		579.22

Summary of Deployment

Sr. No.	Particulars	Amount (Rs. in lacs)
1	Deployment of funds at Manor	338.44
2	Deployment of funds at Jaipur	579.22
3	Public Issue Expenses	71.73
4	Brand Promotion	58.77
Total		1,048.16

Sources of funds

The above funds have been deployed from the internal accruals generated by the Company.

Year wise Deployment of Funds

We expect to incur around the balance amount in Financial Year 2008 and Financial Year 2009 towards the Objects of the Issue, as under –

- Refinery of 200 TPD of Sunflower, Soyabean, Groundnut, Palm and Cotton Seed (Rs. 2,902.37 lacs)

(Rs. in lacs)

Sr. No.	Particulars	Already incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	238.30	-	-	238.30
2	Building	100.14	463.19	-	563.33
3	Plant & Machineries	-	1944.03	126.71	2,070.74
4	Furniture & Fixtures	-	30.00	-	30.00
	Total	338.44	2437.22	126.71	2,902.37

- Setting up of 200 TPD of Crushing unit at Manor (Rs. 642.72 lacs)

(Rs. in lacs)

Sr. No.	Particulars	Already incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	N.A.	N.A.	N.A.	N.A.
2	Building	-	250.00	-	250.00
3	Plant & Machineries	-	390.72	-	390.72
4	Furniture & Fixtures	-	2.00	-	2.00
	Total	-	642.72	-	642.72

3. Palm Fractionation unit of 150 TPD (Rs. 1,005.71 lacs)

(Rs. in lacs)

Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	N.A.	N.A.	N.A.	N.A.
2	Building	-	40.00	-	40.00
3	Plant & Machineries	-	955.71	-	955.71
4	Furniture & Fixtures	-	10.00	-	10.00
	Total	-	1,005.71	-	1,005.71

4. Ayurvedic and Cosmetic Production unit of 5 TPD (Rs. 107.89 lacs)

(Rs. in lacs)

Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	N.A.	N.A.	N.A.	N.A.
2	Building	-	40.15	15.85	56.00
3	Plant & Machineries	-	11.77	35.12	46.89
4	Furniture & Fixtures	-	1.77	3.23	5.00
	Total	-	53.69	54.20	107.89

5. Blow Moulding Plant for Pet Bottles (Rs. 245.37 lacs)

(Rs. in lacs)

Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	N.A.	N.A.	N.A.	N.A.
2	Building	-	59.90	-	59.90
3	Plant & Machineries	-	180.47	-	180.47
4	Furniture & Fixtures	-	5.00	-	5.00
	Total	-	245.37	-	245.37

6. Crushing unit of 200 TPD for Sesame and Mustard (Rs. 2,569.18 lacs).

(Rs. in lacs)

Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1	Land & Site Development	245.22	172.67	-	417.89
2	Building	-	673.19	-	673.19
3	Plant & Machineries	*334.00	1,124.10	-	1,458.10
4	Furniture & Fixtures	-	20.00	-	20.00
	Total	579.22	1,989.96	-	2,569.18

*We have already paid advance of Rs. 334.00 lacs against our purchase orders amounting to Rs. 520.40 lacs to Maruti Engineering Works against Quotation no. MEW/2007-08/92 dtd. 22/1/08.

7. Research & Development facilities (Rs. 136.64 lacs)

(Rs. in lacs)					
Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1.	Land & Site Development*	N.A.	N.A.	N.A.	N.A.
2.	Building	-	-	30.00	30.00
3.	Plant & Machineries	-	-	91.64	91.64
4.	Furniture & Fixtures	-	-	15.00	15.00
	Total	-	-	136.64	136.64

* Proposed to be set up at the existing land at Manor

8. For other activities

(Rs. in lacs)					
Sr. No.	Particulars	Already Incurred	16-5-08 to 31.12.08	1-1-09 to 30.6.09	Total
1.	Professional and Consultancy Fees	-	130.00	199.40	329.40
2.	Miscellaneous and other Assets	-	40.00	50.00	90.00
3.	Provision for Contingencies	-	-	206.00	206.00
4.	Margin Money for Working Capital Requirements	-	-	1,466.80	1,466.80
5.	Brand Promotion and Expansion of Marketing & Distribution Network	58.77	200.00	641.23	900.00
	Total	58.77	370.00	2563.43	2992.20

Interim Use of Funds

The Board of Directors of our Company in compliance with Clause 49 of the listing Agreement has formed an Audit Committee, which would monitor the interim use of Funds. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality, interest/ dividend bearing liquid instruments including money market mutual funds, deposits with banks for the necessary duration. Such investments would be in accordance with investment policies approved by our Board of Directors from time to time.

Monitoring of Utilization of Funds

As our Issue size is less than 50,000 lacs, we have not appointed any monitoring agency to monitor the utilization of issue proceeds, as the same is not required as per SEBI Guidelines. Our Board of Directors will monitor the utilization of proceeds of this Issue on a regular basis.

We will disclose the utilization of the proceeds raised through this Issue under a separate head in our financial statements clearly specifying the purpose for which such proceeds have been utilized. No part of this Issue proceeds will be paid by us as consideration to our Promoter, Directors, key managerial personnel or entities promoted by our Promoter, save and except in the normal course of business.

BASIC TERMS OF ISSUE

The Equity Shares now being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Red Herring Prospectus and Bid cum Application Form 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 Equity Shares. Further to the above, the Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/ Government of India/ Stock Exchange(s) and/ or other authorities, as in force on the date of this Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares to be issued shall, subject to the Memorandum and Articles of Association of our Company, rank pari passu with the existing Equity Shares of our Company in all respects including rights in respect of 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

The Equity Shares of Face Value of Rs. 10 each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●] per Equity Share, at a premium of Rs. [●] each. At any given point of time there shall be only one denomination of Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights unless prohibited by law-

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and Articles of Association of our Company

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, please refer to the section titled "Main Provisions of Articles of Association of our Company" beginning on page no. [●] 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 dematerialized form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the sub-section titled "Basis of Allotment" starting from page no. [●] of this Draft Red Herring Prospectus.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue to Public including devolvment of the Underwriters, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the prospective allottees in this Issue shall not be less than 1000 in numbers; else our Company shall not make an allotment pursuant to this Issue.

Withdrawal of the Issue

Our Company, in consultation with BRLM(s) reserves the right not to proceed with this Issue anytime after the Issue Opening Date without assigning any reason thereof.

Please refer to the section titled “Terms of the Issue” beginning from page no. [●] of this Draft Red Herring Prospectus for other Issue related terms and more details.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with BRLM(s) on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Equity Shares offered by the Book Building Process. The Face Value of the Equity Shares is Rs. 10 and the Issue Price is [●] times 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

The following are some of the qualitative factors, which form the basis for computing the Issue Price of our Equity Shares in this Issue –

Strong Brand Presence

Most of our products are sold under three umbrella brands viz., ‘Cocoraj’, ‘Guinea’ and ‘Raj’. These brands are in existence for more than 5 decades. Our ‘Cocoraj’ brand is a premium brand in the coconut oil segment and currently caters to the cooking oil market. We sell a variety of products such as filtered groundnut oil, refined groundnut oil, soyabean oil, cotton seeds oil etc. under our ‘Guinea’ brand. These products are fast making inroads into the health conscious, high end consumers. Through our ‘Raj’ brand, we cater to an emerging market segment in the edible oil market – the health conscious population and Til oil and Mustard oil are the main products sold under this brand.

Strong Brand Valuation

Haribhakti MRI Corporate Services Pvt. Limited vide their report dated April 28, 2008 has valued our three umbrella brands viz., ‘Cocoraj’, ‘Guinea’ and ‘Raj’. This valuation is carried out by them on Brand Contribution Method under the Economic Approach by valuing each brand by discounting the future estimated brand earnings of each brand (over and above the normal return on capital employed). Based on the above, the valuation of our three brands as on December 31, 2007 is as under -

Sr. No.	Name of Brand	Valuation (Rs. In lacs)
1.	Cocoraj	13,230
2.	Guniea	5,480
3.	Raj	10,580
	Total Brand Valuation	29,290

Vast Experience in the Edible Oil industry

Our business of manufacturing and selling edible oil was commenced under the aegis of M/s. Raj Oil Mills, partnership firm in 1943. M/s. Raj Oil Mills, partnership firm, founded in the year 1943 by late Mr. Haji Suleman Jamal (father of Mr. Shaukat S. Tharadra). In year 1966, late Mr. Haji Suleman Jamal passed away giving the reins of the business to Mr. Shaukat S. Tharadra. Our Promoter has been in this industry for over four decades. This vast experience of the Promoter has helped our Company to develop our existing in-house production skills, good relationships with our customers.

In-house Manufacturing Capabilities

At present our Company has capacity of 5,000 TPA of Crushing and 30,000 TPA of Oil Filtration at Manor, district Thane. As on date we are producing and processing various kinds of products, which can be broadly categorized into:

- Coconut Oil
- Filtered Oil
- Refined Oil
- Ayurvedic Oil

Our experience in this business, have enabled us to provide quality products in response to customers demand for premium and branded Edible oil. This set us apart from the unorganized sector of the Edible oil industry and also enables us to compete with the organized players.

Wide Product Range

Our Company has wide range of products, offering Mustard oil, Sunflower oil, Groundnut oil, Cottonseed oil, Coconut oil, Sesame oil and Ayurvedic oil. We have varied oil & derivative products in our product basket allowing the customer to choose from wide range. We mainly deals in edible oils in bulk quantities and consumer retail packs such as 15 litres, 10 litres, 5 litres, 1 litre pack.

Backward Integration

Our proposed expansion will make us self sufficient to produce our requirement of entire product range, some of which we are currently outsourcing. This in-house production will help us in decreasing our dependency on our existing suppliers and in increasing our profit margins. At present our Company has capacity of 5,000 TPA of Crushing and 30,000 TPA of Oil Filtration at Manor, district Thane. We are planning to expand our existing Crushing capacities at Manor to 60,000 TPA and set-up new capacities of 60,000 TPA for Refinery, 30,000 TPA for Palm Fractionation, 15,000 TPA for Vanaspati Ghee and 1,500 TPA for Ayurvedic and Cosmetic unit. We have planned to set up new capacities of 60,000 TPA for Crushing at Bagru, district Jaipur.

QUANTITATIVE FACTORS

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

Weighted Average Earnings per Share (EPS)

Financial Period	EPS (Rs.)	EPS (Rs.)	Weight
	Standalone	Consolidated	
Financial Year 2005	1.93	1.95	1
Financial Year 2006	7.79	7.86	2
Financial Year 2007	10.47	10.47	3
Weighted Average	8.15	8.18	

Notes:

- The diluted earnings per share has been computed on the basis of restated profits and losses (before extra-ordinary items and prior year adjustments) for the respective years/ periods after considering the impact of accounting policy changes, prior period adjustments/ re-groupings pertaining to earlier years as per the Auditors' Report.
- The Face Value of each Equity Share is Rs. 10.

Price / Earning (P/E) Ratio

- Based on the financial year ended December 31, 2007, EPS (Standalone) is Rs. 10.47 and EPS (Consolidated) is Rs. 10.47.
- P/E based on the financial year ended December 31, 2007 is [●] (on standalone EPS) and [●] (on Consolidated EPS) respectively at the Floor Price and [●] (on standalone EPS) and [●] (on Consolidated EPS) respectively [●] at the Cap Price.

▪ Industry P/E*:

- (a) Highest: 28.8
- (b) Lowest: 4.8
- (c) Average: 13.1

**Source: Capital Market Vol. XXIII/06, May 19 – Jun 01, 2008; Segment: Solvent Extraction.*

Weighted Average Return on Net-worth*

Financial Period	Return on Net-worth (%)	Return on Net-worth (%)	Weight
	Standalone	Consolidated	
Financial Year 2005	14.74	14.93	1
Financial Year 2006	37.68	37.98	2
Financial Year 2007	41.84	41.84	3
Weighted Average	35.94	36.07	

* Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for intangible assets and deferred tax assets as per the audited restated financial statements.

Minimum return on increased net worth required to maintain pre-Issue EPS is [●] %.

NAV per Equity Share

NAV per equity share represents shareholders' equity less miscellaneous expenses as divided by number of equity shares. The NAV per Equity Share on standalone and consolidated basis on December 31, 2007 is Rs. 23.47 and Rs. 23.47 respectively.

NAV per Equity Share after the Issue

The NAV per Equity Share after the Issue is Rs. [●].

The Issue Price per Equity Share is Rs. [●].

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

Comparison of Accounting Ratios

Name of the Company	Face Value of Share (Rs.)	EPS (Rs.)	P/E	Return on Average Net-worth (%)	Book Value per Share (Rs.)
Raj Oil Mills Ltd.*	10	10.47	[●]	41.84	23.47
Peer group**					
Kriti Industries India Limited	1	0.4	27.25	10.7	4.4
K. S. Oils Limited	1	3.7	17.67	53.8	12.8
Sanwaria Agro Oils Limited	1	6.2	14.04	38.0	10.1

Note: All the figures mentioned for peer group above except for the P/E ratio are as of Financial Year ended on March 31, 2008. The P/E ratio is based on the closing market price on June 5, 2008 on Bombay Stock Exchange Limited ('BSE').

*The EPS, return on average net worth and book value per share have been calculated from our unconsolidated Audited restated financial statements as on Financial Year ended December 31, 2007.

***Source: Capital Market Vol. XXIII/06, May 19 – Jun 01, 2008; Segment: Solvent Extraction.*

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

Note: Our Company has made a further issue of 65,19,900 Equity Shares after December 31, 2007. The paid-up capital of our Company as on date is Rs. 2,501.01 lacs. The above ratios have been computed without after giving effect to the consequent increase in capital.

STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Raj Oil Mills Limited
224 - 230, Bellasis Road,
Mumbai 400 008

Dear Sirs,

Sub: STATEMENT OF POSSIBLE TAX BENEFITS

We hereby confirm that the enclosed statement states the possible tax benefits available to Raj Oil Mills Limited ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

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

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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, where applicable have been/would be met.

For M. K. Gohel & Associates
Chartered Accountants

S/d-
Mukesh K. Gohel
Proprietor
Membership No. 038823

Place: Mumbai
Date: May 26, 2008

Under the Income Tax Act, 1961 (“the I.T. Act”)

A1. Special Benefits available to the Company:

At present the Company is not liable to pay Excise Duty, but after the commencement of the proposed refinery, the Company will be liable to pay Excise Duty

A2. General Benefits available to the Company

- Under section 32 of the I.T. Act, the Company is entitled to claim depreciation including additional depreciation, subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
- Under section 10(34) of the I.T. Act, dividend income (whether interim or final) referred to in section 115O of the I.T. Act, received by the Company, is exempt from tax in the hands of Company.
- By virtue of section 10(35) of the I.T. Act, the following income shall be exempt, in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified company” means a company as referred to in section 2(h) of the said Act.

B. To the Members of the Company

B1. Under the Income Tax Act, 1961

1. All Members

- By virtue of Section 10(38) of the Income Tax Act, 1961, income arising from transfer of a long term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to the Securities Transaction Tax under that Chapter. However, the long-term capital gain of a share holder being a company shall be subject to income tax computed on book profit under section 115JB of the Income Tax Act, 1961.
- By virtue of Section 111A, short term capital gain on transfer of equity share of the Company shall be chargeable to tax @ 15%, if the transaction of such sale is chargeable to Securities Transaction Tax under that Chapter.

2. Resident Members

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the shareholders.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lacs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956;

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

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the Shareholders.
- By virtue of Section 10(38) Long Term Capital Gain on transfer of equity share of the Company shall be Exempt from tax if the transaction of such sale is chargeable to Securities Transaction Tax under that Chapter.

3. Non Resident Indians/Members (other than FIIs and Foreign Venture Capital Investors)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from another domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the recipients.

Tax on Investment Income and Long Term Capital Gain

- A non resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to Incomes of Non-Residents".
- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non resident on transfer of shares held for period exceeding 12 months shall be concessionally taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against foreign exchange fluctuation. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.
- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets or in any savings certificates referred to in clause 4B of Section 10 within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or any such savings certificates are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non-Resident Indian to furnish his return of Income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible has been deducted at source there from.

Other Provisions

- Under Section 115-I of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under Section 139 of the Income Tax Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so, the provisions of this Chapter shall not apply to him instead the other provisions of the Act shall apply.
- Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lacs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956

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

- Under Section 54F of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from Capital gains tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to Section 48; indexation not available if investments made in foreign currency as per the first proviso to section 48 stated above) or at 10% (plus applicable surcharge and Education Cess) (without indexation), at the option of assessee.

4. Mutual Funds

- In terms of Section 10 (23D) of the Income Tax Act, 1961, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company.

5. Foreign Institutional Investors (FIIs)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend from another domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the institutional investor.
- The income by way of short term or long term capital gains realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961.
 - Short term capital gains - 30% (plus applicable surcharge and Education Cess)
 - Short term capital gains covered U/s 111A- 10% (plus applicable surcharge and Education Cess).
 - Long term capital gains - 10% (without cost indexation) plus applicable surcharge and Education Cess (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, registered under the Companies Act, 1956;

6. Venture Capital Companies/ Funds

- In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies Funds set up to raise funds for investment and registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from dividend.

B2. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957, hence Wealth Tax Act will not be applicable.

B3. Under the Gift Tax Act, 1957

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Tax

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2008 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from Industry and other sources. Our Company believes the information to be reliable, but neither our Company nor any other independent person has verified the data. Our Company accepts responsibility for accurately reproducing such information, data and statistics, but accepts no further responsibility in respect of such information, data and statistics. Such information, data and statistics may be approximations or may use rounded numbers. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Information, data and statistics that can be obtained from the websites of certain specific organizations are quoted below.

GLOBAL SCENARIO OF EDIBLE OIL INDUSTRY

India is the one of the largest consumer and importer of edible oil in the world, next only to China and the US. India imports palm oil mainly from Malaysia and Indonesia and soyabean oil from Argentina and Brazil. While the US has a strong domestic consumption base and mostly exports soyabean seeds in addition to oil, Argentina and Brazil exports much of their production, mostly in the form of crude oil. China and India, though being producers themselves, import soyabean seeds and its derivatives to cater to their expanding consumer base. While China imports both soyabean and oil, India allows only imports of oil.

Crude Palm Oil (CPO), Crude Palmolein, RBD (refined, bleached, deodorized) Palm Oil, RBD Palmolein and Crude Palm Kernel Oil (CPKO), Crude Soya Oil and Refined Soya Oil are the various edible forms of oil traded. Soyabean Oil is the leading vegetable oil traded in the international markets, next only to palm. Palm and Soyabean oils together constitute around 68% global edible oil trade volume, with soyabean oil constituting 22.85%. India's per capita consumption of edible oil is at approximately 11 kg a year with China at 18 kgs and North America at 34 kgs compared with world average of 20kgs

Demand for oilseeds is driven by increase in human consumption and rise in use of animal feed and other ancillary applications (soaps, detergents, etc). In India, production of oilseeds has been rising while on a global level it has been declining, particularly in the US where there is diversion towards corn production.

(Source: FAO)

Different types of Oils, Major Producers and their uses

Type of Oil	Major Producers	Uses
Palm Oil	Malaysia, Indonesia	Cooking, oil meal, soaps, bio-fuels
Soybean Oil	US, Brazil, Argentina	Cooking, oil meal, bio-fuels
Mustard / Rapeseed Oil	China, Canada, India	Cooking, oil meal, bio-fuels
Peanut Oil	China, India	Cooking, oil meal
Cottonseed	China, India	Cooking, oil meal, industrial food Processing
Sunflower Oil	Russia, Argentina, Ukraine	Cooking, oil meal, bio-fuels

INDIAN EDIBLE OIL INDUSTRY

In ancient times, vegetable oils were obtained by crushing oilseeds in village ghanis/ kolhus/ chekkus in the country. At the beginning of the 20th century, the vegetable oils industry was based on some 500,000 bullock-driven ghanis producing about 800,000 tonnes of oils. Slowly, in addition to these ghanis, power-driven ghanis (rotary ghanis made indigenously), imported expeller and imported hydraulic press plants started crushing oilseeds.

The size of the Indian oilseeds-based sector is estimated at US\$ 16.5 billion (inclusive of exports and imports). India is the world's fourth largest vegetable oil economy. Currently, India accounts for 7.4% of world oilseeds output; 6.1% of world oil meal production; 3.9% of world oil meal export; 5.8% of world veg oil production; 11.2% of world vegetable oil import; and 9.3% of the world edible oil consumption (Source: Oil World). The estimated land under cultivation for oilseed in India is 25 – 26 million hectares.

Domestic price support policies favour the production of crops (mainly, rice and wheat) that compete with oilseeds. Oilseeds are grown mainly on marginal and sub-marginal lands under low input usage. Moreover, less than 25% of the oilseed area is irrigated, rendering cultivation vulnerable to weather-related yield risk. This has resulted in slow growth in oilseed production and continued low yields. At about 970 kgs/ha, Indian oilseed yields are about half of the world's average and almost one-third of leading producers.

India's Production of Cultivated Oilseeds 2003-2004 to 2007-08 (Nov.-Oct.)

(Million Tonnes)						
Sr. No.	Oilseeds	2007-08(E)	2006-07	2005-06	2004-05	2003-04
1	Groundnut	7.29	4.86	7.99	6.77	8.13
2	Rapeseed & Mustard	7.06	7.44	8.13	7.59	6.29
3	Sesamum	0.73	0.62	0.64	0.67	0.78
4	Soybean	9.45	8.85	8.27	6.87	7.82
5	Sunflower	1.12	1.23	1.44	1.19	0.93
6	Niger	0.11	0.12	0.11	0.11	0.11
7	Linseed	0.13	0.17	0.17	0.17	0.20
8	Castor	1.04	0.76	0.99	0.79	0.80

Edible Oil Demand Projection

Parameter	2010	2015
Total Demand (Mn. Tonnes)	15.6	21.3
Total Area under Oilseeds (Mn Hectares)	28.0	32.0
Yield (Tonnes/hectare)	1.2	1.4
Production of Oilseeds (Mn tonnes)	33.6	44.8
Domestic supply of edible oils (Mn tonnes)	10.1	13.4
Total edible oil imports - (Mn tonnes)	5.9	8.3
Imports as share of demand	38%	39%

India's annual consumption is around 12 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption is considerably lower compared to global standards. Since 1995, Indian share in world production of oilseeds has been around 8-10%.

Edible oil processing consists of three operations: crushing and expelling (separating oil from the solids), solvent extraction (to chemically remove residual oil from the oilcake) and oil refining. In many countries, these three separate processing operations are conducted by one vertically integrated plant. In India, however, only a small share of oilseed production undergoes solvent extraction and oil refining. Instead, India's oilseeds processing sector is made up of the three groups viz. Ghanis, solvent extractors and oil refiners engaged separately. Edible oils constitute an important component of Indian households' expenditure on food. A large population and steady economic growth are important contributors to India's increasing consumption and imports of Edible Oils.

(Source: www.seaofindia.com)

Types of Oils Commonly Used In India

Groundnut, mustard/rapeseed, sesame, safflower, linseed, nigerseed/castor are the major traditionally cultivated oilseeds. Soyabean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Efforts are being made to grow palm oil in Andhra Pradesh, Karnataka, Tamil Nadu in addition to Kerala and Andaman & Nicobar Islands. Among the non-conventional oils, ricebran oil and cottonseed oil are the most important. In addition, oilseeds of tree and forest origin, which grow mostly in tribal inhabited areas, are also a significant source of oils. Figures pertaining to estimated production of major cultivated oilseeds, availability of edible oils from all domestic sources and consumption of edible oils (from Domestic and Import Sources) during the last few years are as under:

(Source: www.fcamin.nic.in)

(In lacs Tonnes)			
Oil Year (Nov. - Oct.)	Production of Oilseeds	Net availability of edible oils from all domestic sources	Consumption of Edible Oils (from domestic and import sources)
1998-1999	247.48	69.60	95.82
1999-2000	207.15	60.15	102.11
2000-2001	184.40	54.99	96.76
2001-2002	206.63	61.46	104.68
2002-2003	148.39	46.64	90.29
2003-2004	251.86	71.40	124.30
2004-2005	243.54	72.47	117.89
2005-2006	279.79	83.16	126.04
2006-2007	238.84	72.43	114.60
2007-08 (E)	282.08	84.27	121.91

Source: (i) Production of oilseeds: Ministry of Agriculture

(ii) Net availability of edible oils: Directorate of Vanaspati, Vegetable Oils & Fat

Consumption Pattern of Edible Oils in India

Each year, India consumes around 12.0 to 12.5 million tonnes of various edible oils. Although edible oils are widely consumed, the per capita consumption is around 11 kgs a year, considerably lower as compared to most developed countries. Palm oil (mainly imported) and Soybean Oil account for almost half of India's total edible oil consumption, followed by Mustard Oil, Groundnut Oil, Cottonseed Oil, Rice Bran Oil and Sunflower seed Oil. With steady growth in population and their personal disposable incomes, Indian per capita consumption of edible oil has been rising steadily. However, oilseeds output and, in turn vegetable oil production, have been trailing consumption growth, necessitating imports to meet supply shortfall.

Per capita consumption of edible oils (11 kilograms) is low, but rising gradually; Extreme skew in consumption among sections of population - top 10 per cent consumes over 20 kgs per capita and bottom 30 per cent consumes less than 5 kgs per capita - needs correction. There is strong regional preference for "first press" oil with natural flavour – for example: Mustard, Groundnut, Coconut oils. There is a rising dependence on imports - currently imports constitute 40/45 per cent of consumption.

India is a vast country and inhabitants of several of its regions have developed specific preference for certain oils largely depending upon the oils available in the region. For example, people in the South and West prefer groundnut oil while those in the East and North use mustard/rapeseed oil. Likewise several pockets in the South have a preference for coconut and sesame oil. Inhabitants of northern plain are basically hard fat consumers and therefore, prefer Vanaspati, a term used to denote a partially the ability to absorb a heterogeneous variety of oils, which do not generally find direct marketing opportunities because of consumers' preference for traditional oils such as groundnut oil, mustard oil, sesame oil etc.

Of late, things have changed. Through technological means such as refining, bleaching and deodorization, all oils have been rendered practically colourless, odourless and tasteless and therefore, have become easily interchangeable in the kitchen. Newer oils which were not known before they have entered the kitchen, like those of cottonseed, sunflower, palm oil or its liquid fraction (palmolein), soyabean and rice bran. The share of raw oil, refined oil and Vanaspati in the total edible oil market is estimated at 35%, 55% and 10% respectively.

Present Status

Status of the Vegetable Oil Industry (As on August 2006)

Type of Vegetable Oil Industry	No. of Units	Annual Capacity (Lacs MT)	Average Capacity Utilization
Oilseed Crushing Units	1,50,000 (Approx)	425 (In terms of Seeds)	10-30%
Solvent Extraction Units	711	313 (In terms of Oil-bearing Material)	31%
Refineries attached with Vanaspati Units	127	51 (in terms of oil)	45%
Refineries attached with Solvent Units	297	36 (in terms of oil)	27%
Independent Refineries	585	35 (in terms of oil)	36%
Total Refineries	1009	122 (in terms of oil)	35%
Vanaspati Units	264	53 (in terms of Vanaspati, Bakery Shortening & Margarine)	18%

(Source: www.fcamin.nic.in)

Current Scenario of Edible Oil Import by India

From November 2006 to July 2007, India imported 3.30 million tonnes of edible oils consisting of 2.23 million tonnes of palm products and 1.07 million tonnes of soft oils. The import volume increased by 8% over the same period of previous year. India imports mainly crude oil to utilise its own processing capacity and practically 97-98% import is in crude form.

Import of Edible Oils (2004-05 to 2006-07)

Oil	(In '000 Tons)			
	2004-05 (Nov – Oct)	2005-06 (Nov – Oct)	2006-07 Nov'06– Aug.'07)	2006-07(E) (Nov-Oct)
Refined Palmolein	423	113	93	150
Crude Palm Oil	2,360	2,373	2,378	2,900
Crude Palmolein	187	55	38	50
Soybean Oil	2,001	1,703	1,045	1,350
Sunseed Oil	5	101	183	250
Others	65	72	30	50
Total	5,041	4,417	3,767	4,750

Production and yield improvements could increase domestic oilseed production thereby reducing dependence on edible oil imports.

(Source: www.seaofindia.com)

Price Trend

The global edible oil prices exhibited a sharp and steady upward trend in recent months. For instance, the international price of crude palm oil (fob Malaysia) has increased from US\$ 770 PMT in the last week of August, 2007 to about US\$ 1220 PMT in the last week of February, 2008. During the same period, the international price of Sunflower oil (c.i.f. Rotterdam) has increased from US\$ 947 to US\$ 1695 PMT – an increase of about 79%.

Wholesale prices of RBD palmolein (Mumbai) have increased from Rs. 4,500 per quintal in August 2007 to Rs. 5,820 per quintal in February, 2008. Over the same period, price of sunflower oil (Mumbai) has increased from Rs. 4,900 per quintal to Rs. 8,250 per quintal and of mustard oil (Delhi) from Rs. 4960 per quintal to Rs. 6,330 per quintal.

The international prices of Edible Oil are as:

(US \$ per MT)

Month	Crude Palm Oil—Malaysia		Crude Soyabean Oil—Chicago	
	Current Period	Var %	Current Period	Var %
Apr 2006	386.41	3	518.43	4
May 2006	394.52	7	557.36	11
Jun 2006	386.18	4	550.12	4
Jul 2006	404.02	9	586.78	7
Aug 2006	434.48	21	562.53	11
Sep 2006	416.94	13	534.28	8
Oct 2006	422.32	10	559.71	7
Nov 2006	476.74	27	623.61	27
Dec 2006	528.24	43	628.61	35
Jan 2007	550.78	46	635.60	32
Feb 2007	553.75	42	664.88	34
Mar 2007	566.39	48	679.52	32

The domestic prices are as under:

(Rs. per 10 Kg)

Month	Soyabean Crude Oil		Refined Soyabean Oil		Refined Palmolein	
	Current Period	Var %	Current Period	Var %	Current Period	Var %
May 2006	374.42	9	394.77	9	395.04	9
Jun	375.81	11	394.42	9	400.58	11
Jul	385.31	14	402.85	11	414.38	13
Aug	411.19	24	426.27	20	443.27	22
Sep	405.81	25	421.77	21	423.46	17
Oct	396.54	21	414.83	19	416.38	13
Nov	426.19	30	442	26	434.88	17
Dec 2006	440.77	34	452.58	31	447.88	21
Jan 2007	441.42	37	454.25	34	454.63	26
Feb	425.22	28	437.7	24	435.74	19
Mar	423.08	20	443.4	20	437.8	15
Apr 2007	439.58	21	464.04	22	456.58	20

The Govt. has adopted various anti-inflationary measures. Import Duty on crude oil imports has been waived and duty on refined palm, sunflower, soyabean, coconut oils and hydrogenated vegetable fats reduced to 7.5% effective from the midnight of March 31, 2008. Further, export of edible oil has been banned.

Structure of the Indian Industry

The Indian Oil Industry can be classified into the following segments:

- Ghanis- These are very small traditional (cottage industry) crushers usually serving rural villages.
- Small scale expellers- These have somewhat more modern facilities with a daily production of upto 10 ton.
- Solvent Extractors- These tend to crush and process “hard” oilseeds with low oil content.
- Oil refiners and;
- Vanaspati manufacturers

The Indian Oil Industry is highly fragmented with a large number of small scale producers.

Policy

In pursuance of the policy of liberalization of the Government, there have been progressive changes in the Import Policy in respect of edible oils during the past few years. Edible Oil, which was in the negative list of imports, was first de-canalized partially in April, 1994 when import of edible vegetable palmolein was placed under Open General Licence (OGL) subject to 65% of basic Custom Duty. Subsequently import of other edible oils was also placed under OGL, except Coconut Oil. In order to harmonize the interests of farmers, processors and consumers and at the same time, regulate large import of edible oils to the extent possible, import duty structure on edible oils is reviewed from time to time.

The Government has adopted the following ideology in order to boost the growth of the Edible Oil Industry

- In order to increase the domestic supply of oil seeds, the government has been frequently freezing the Minimum Support Price (MSP) for wheat and rice while increasing the MSP for oil seeds, thereby prompting a diversification from wheat-rice to oil seeds. This is intended to improve the supply of oil seeds.
- Free imports (since 1994) have further lowered the entry barrier to the industry as crude or refined oil can be imported, packed and distributed doing away with the need of having manufacturing facility in the domestic market.
- Customs tariff on edible oil continues to be the most important and dynamic area of government intervention. India adopted a modified tariff schedule for agricultural products in March 2000. The tariff bindings, subsequent to revision in 1996 and renegotiations within the WTO in 1999, retain the overall structure notified after the Uruguay Round: 100% for commodities, 150% for processed products, and 300% for edible oils. Departures from this pattern are mainly with respect of tariff lines that were negotiated as special cases. India's bound rates for edible oil are as high as 300% ad valorem, except for 45% on soybean oil, and 75% for rapeseed oil. On all other oils, the GoI can raise the level of customs duty up to 300%.

The major changes that have taken place in the recent years are given in the table below:

August, 2006	With effect from 8.8.2006, special additional duty of customs not applicable on Vanaspati imported from Nepal w.e.f. 11.8.2006, import duty on Crude Palm oil/ Crude Palmolein reduced from 80% to 70% and import duty on refined Palm Oil/ RBD Palmolein reduced from 90% to 80%.
January, 2007	W. e. f. 24.1.2007, import duty on Crude Palm Oil/ Crude Palmolein reduced from 70% to 60%, import duty on refined Palm Oil/ RBD Palmolein reduced from 80% to 67.5%, import duty on Crude Sunflower oil reduced from 75% to 65% and import duty on refined Sunflower oil reduced from 85 % to 75%.
2007-08 (Budget)	With effect from 1.3.2007, import duty on Crude Sunflower Oil has been reduced from 65% to 50% and import duty on refined Sunflower Oil and other Oils has been reduced

	from 75% to 60%. Further edible oils (except Soybean oil, rapeseed oil and mustard oil) will attract education cess of 3% of the aggregate of customs duty. With effect from 1.3.2007, all edible oils will not attract Special Additional Duty of customs @ 4%.
April, 2007	With effect from 13-04-2007 import duty on Crude Palm Oil /Crude Palmolein has been reduced from 60% to 50% and import duty on refined Palm Oil / RBD Palmolein has been reduced from 67.5% to 57.5%
April, 2008	Crude Palm – Nil; Vanaspati 12.03%; Crude Sunflower – Nil; Refine Palm Oil and RBD Palmolein – 7.73%

(Source: Ministry of Consumer Affairs, Food and Public Distribution)

Outlook

With its large population and continued strong economic growth, India is likely to register strong gains in total and per-capita edible oil consumption in the medium term. The country's consumption places India behind only China and European Union. The extent to which increased consumption is met by Imports and the types of oil imported will be strongly influenced by India's trade and domestic agricultural policies, but imports will likely remain strong for the medium term. The financial performance of players in the Indian edible oil industry is expected to be dependent upon oilseed production and edible oil prices.

By 2010, India's total requirement of edible oils for the projected population of 1.25 billion at the projected per capita consumption of about 15 kg per annum is expected to be around 19 mt., which is equivalent to an estimated 57 mt. of oilseeds.

The industry has to contend with increasing competition from imports, the rising cost of oil seeds and the expanding demand-supply gap. Since the production of oil seeds is heavily dependent on monsoons, around 40% of the demand for edible oils within the country has to be met by imports which may continue.

(Source: National Manufacturing Competitiveness Council)

BUSINESS OVERVIEW

Our Business

Raj Oil Mills Ltd was incorporated on October 17, 2001. In 2002, our Company acquired business of M/s Raj Oil Mills, partnership firm, vide Deed of Assignment with effect from April 1, 2002. As per the assignment, Land and Building and intangibles viz. Brands, Trademarks and Copyrights were not assigned. In the year 2005, our Company shifted factory premises from Military Road, Marol, Andheri (East), Mumbai - 400 059 to village Ten, Manor, taluka Palghar, district Thane – 401 404

At present, our Company is engaged in the business of Crushing and Oil Filtration with a capacity of 5000 TPA and 30000 TPA respectively.

We market our products under the following brands:

- Cocoraj (Coconut Oil)
- Cocoraj Cool (Ayurvedic Oil)
- Guinea Groundnut Oil (Double Filtered Oil)
- Guinea Lite Groundnut Oil (Refined Oil)
- Guinea Lite Sunflower Oil (Refined Oil)
- Guinea Lite Cottonseed Oil (Refined Oil)
- Guinea Lite Soyabean Oil (Refined Oil)
- Tilraj Til Oil
- Mustraj Mustard Oil

Our aforementioned products are sold under three umbrella brands viz., ‘Cocoraj’, ‘Guinea’ and ‘Raj’. These brands are in existence for more than 5 decades.

Our Company acquired all intangible property viz. Brands, Trademarks and Copyrights from M/s Raj oil Mills, partnership firm vide various agreement dated December 13, 2007, December 17, 2007, December 20, 2007, December 26, 2007 and December 31, 2007. Thus following brands, ‘Cocoraj’, ‘Guinea’ and ‘Raj’ became part of our Company. The said transfer was done at total consideration of Rs. 5,555 (Rupees Five thousand five hundred and fifty five only)

OUR FACILITIES

OUR MANUFACTURING FACILITIES

Existing Manufacturing Facility at Manor, district Thane

Our Company has acquired 16,000 sq. mtrs. of land on July 28, 2004 at a cost of Rs. 15.75 lacs at village Ten, taluka Palghar, district Thane to shift our factory which was situated previously at Military Road, Marol, Andheri (East), Mumbai - 400 059.

Building and Warehousing Facilities

The details of our existing building and warehousing facilities are as under -

Sr. No.	Particulars	Area (Sq. Ft.)
1.	Copra Crushing	9,400
2.	Oil Extraction Plant	15,000
3.	Laboratory Department	1,000
4.	Administrative Building	1,600
5.	Work Shop	750
6.	Electric Substation and Gen Set Dept	2,000
7.	Canteen Guest House	2,500
8.	Oil Storage Tank	5,600
9.	Packing Section	7,500
10.	Raw Material Godown	9,400

11.	Finished Godown	10,000
12.	Cake Godown	3,000

PLANT AND MACHINERY, TECHNOLOGY AND PROCESS

Existing Plant and Machinery and Other Utilities

At present our Company has capacity of 5,000 TPA of Crushing and 30,000 TPA of Oil Filtration. The details of our existing Plant and Machineries are as under -

Sr. No.	Particulars	Qty.
1.	Crushing Expeller	4
2.	Steam Cooker	3
3.	Baby Expeller	1
4.	Cutter Machine	1
5.	Cake Mixer Machine	1
6.	Chain Block	3
7.	Pouch Filling Machine	4
8.	5 To 15 lts. Filling Machine	9
9.	Shrink Wrapping Machine	2
10.	Sealing Machine Small	1
11.	Hand Sealing Machine	2
12.	Pouch Printing Machine	1
13.	Pouch Rewinder	1
14.	Eagle PP Strapping Machine	2
15.	Hand Press Hitting Machine	7
16.	Tin Press Machine	1
17.	Air Press Cap Machine	4
18.	Air Compressor 15HP	1
19.	Air Compressor 0.5HP	1
20.	Hand Press Machine	4
21.	Dryer Machine	1
22.	Auto Cap Sealing Machine	1
23.	Paper Gage Machine	1
24.	Label Printing Machine	2
25.	Oil Line Filter SS	15
26.	Cap Press Machine	3
27.	Hand Printing Machine	6
28.	Press Filter	6
29.	Rotary Pump	6
30.	Gear Pump	8
31.	Storage Tanks	66
32.	Storage Tanks (Round)	2
33.	Storage Tank (HODA)	12
34.	Storage Tank Big	3
35.	Storage Tank Medium	4
36.	Storage Tank Small	1
37.	PVC Water Tank	5
38.	Vacuum Cleaner	1

39.	GLC	1
40.	Weight Bridge	1
41.	Generator	2
42.	Transformer	1
43.	Capacitor	1
44.	Capacitor Small	1
45.	Power Breaker	1
46.	Change Over	2
47.	Steam Boiler	1
48.	Sand Filter	5

Proposed Plant and Machinery

We are planning to expand our existing Crushing capacities at Manor, district Thane to 60,000 TPA and set-up new capacities of 60,000 TPA for Refinery, 30,000 TPA for Palm Fractionation, 15,000 TPA for Vanaspati Ghee and 1,500 TPA for Ayurvedic and Cosmetic unit. We have planned to set up new capacities of 60,000 TPA for Crushing at Bagru, district Jaipur. For the details of the plant and machineries proposed to be installed, please refer to the section titled “Objects of the Issue” starting from page no. [●] of this Draft Red Herring Prospectus.

Collaboration

We have not entered into any technical or financial collaboration for manufacture or export or retail sale of our products.

Export Obligations

As on date of filing this Draft Red Herring Prospectus with SEBI, we do not have any export obligation.

Capacity & capacity utilization for the last three years

Existing Capacity & its Utilization

Particulars	Capacity	FY 2005	FY 2006	FY 2007
Coconut Crushing	Installed (TPA)	5,000	5,000	5,000
	Utilized (TPA)	1,868	2,106	2,511
	% of Utilization	37%	42%	50%
Oil Filtration	Installed (TPA)	15,000	15,000	30,000
	Utilized (TPA)	9,637	13,475	22,287
	% of Utilization	64%	90%	74%
Total	Installed (TPA)	20,000	20,000	35,000
	Utilized (TPA)	11,505	15,581	24,798
	%of utilization	58%	78%	71%

Proposed Capacities & its Utilization

Particulars	Capacity	FY 2009	FY 2010	FY 2011
Refinery	Installed	50,000	60,000	60,000
	Utilized	35,000	45,000	48,000
	% of utilization	70%	75%	80%
Crushing	Installed	1,00,000	1,20,000	1,20,000
	Utilized	66,250	87,000	91,500
	% of utilization	66%	73%	76%
Fractionation Plant	Installed	25,000	30,000	30,000
	Utilized	18,750	24,000	24,000
	% of utilization	75%	80%	80%
Interestarification (Vanaspati Ghee) Plant	Installed	12,500	15,000	15,000
	Utilized	9,375	12,000	12,000
	% of utilization	75%	80%	80%
Ayurvedic & Cosmetic	Installed	1,250	1,500	1,500
	Utilized	750	975	1,125
	% of utilization	60%	65%	75%
Total	Installed	1,88,750	2,26,500	2,26,500
	Utilized	1,30,125	1,68,975	1,76,625
	% of utilization	69%	75%	78%

Payment or benefit to our employees

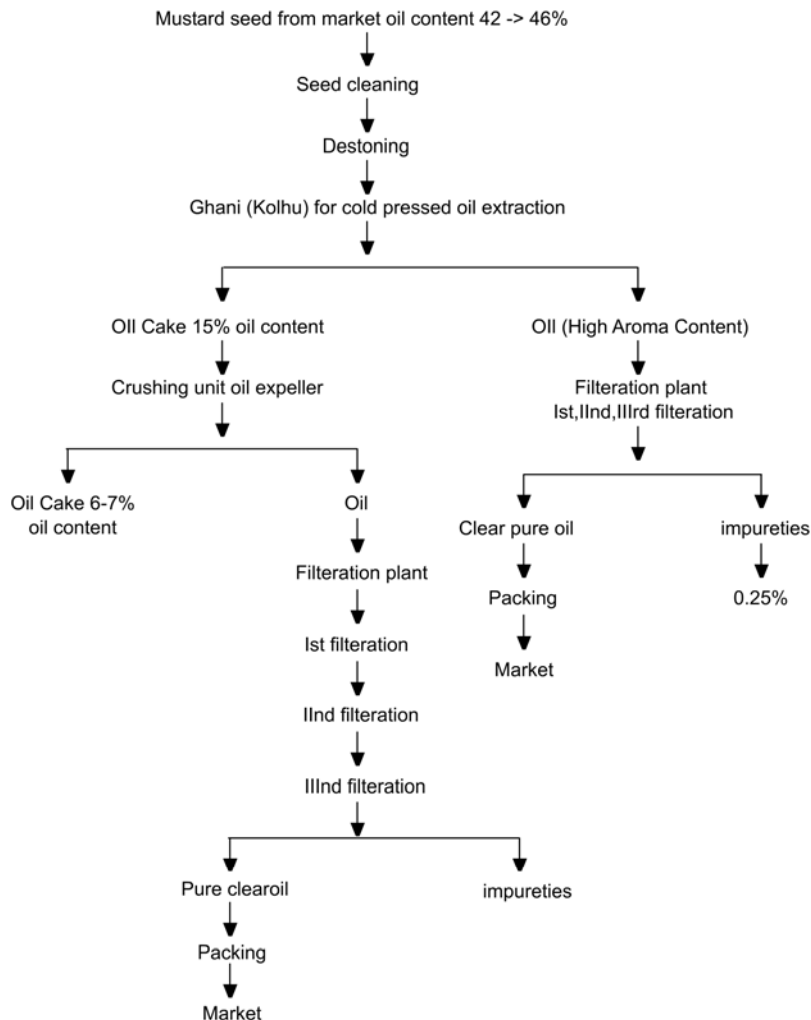
Except statutory benefits upon termination of employment in our Company or superannuation, no employee of our Company is entitled to any benefit upon termination of his employment.

TECHNOLOGY AND PROCESS

PROCESS

Mustard Seed Crushing Process

Mustard seed processing



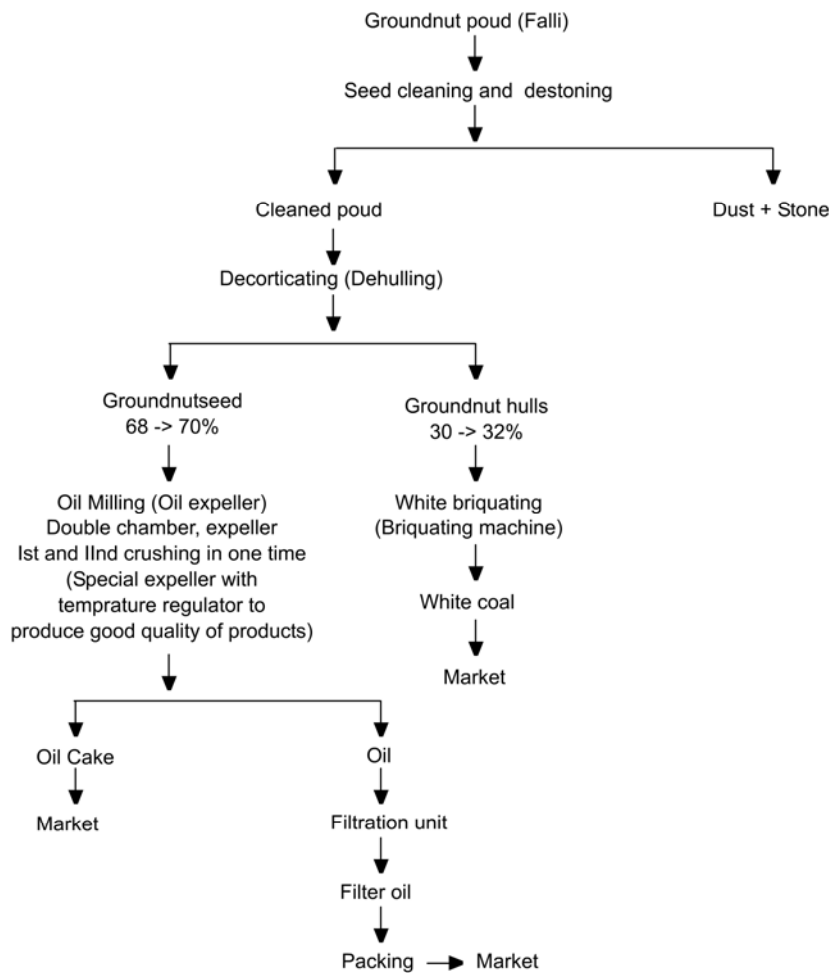
Mustard Seeds contain 42 – 46% Oil with impurities like dust and seed stone. Destoning machines is complete automatic cleaning system with air and vibratory mechanism. After cleaning and destoning, material is mechanically transferred by elevator and distribution conveyor system to, feed one after another kolhu for cold pressed oil extraction. In kolhu process, material is slowly grinded (by mortar and pastle) to avoid the increase in the temperature.

Grinded oil is seperated from the oil cake, however, both grinded oil and oil cake contain some moisture. Oil cake is then transferred to oil expellers for further processing. The oil cake normally contains about 14% to 15% oil. Kaachi ghani extracted oil contains original nutrient and vitamins and aroma. It is filtered through 3 stages filtration process where-in the end product is a polished and filtered oil which is packed and marketed

The oil cake passes through expeller and in the process there is recovery of around 7 to 9% of the 14-15% oil present in oil cake. The recovered oil also passes through three stage filtration process before is it packed and marketed. The residual de-oiled cake contains around 6-7% oil

Groundnut Crushing Process

Groundnut seed processing



Ground nut poud (falli) contains moisture of around 10% to 15% and impurities about 0.50% to 1.50% depending on the quality of seed. The poud is first cleaned and destoned by air and mechanical vibrator machine. Clean poud is then transferred to dehulling (Decorticating) machine by continuous elevator. The dehulling machine decorticate the seed mechanical and by air blowing in regulated quantity . It results in recovery of

Yield of ground nut seed – 68% to 70%

Yield of ground nut hulls – 32% to 30%

Ground nut hulls: Decorticated groundnut seeds are transfer from decorticator by conveyor and by elevator to expeller. The expeller have jacket which assist in heating the seed at around 70 to 81 degrees Centigrade required to produce good quality products.

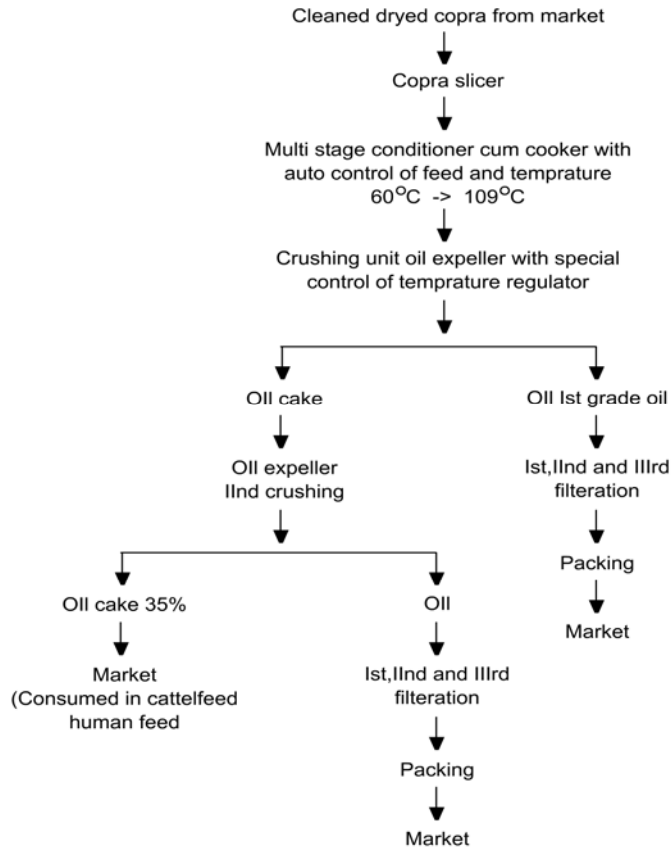
Extracted oil goes through a three stage filtration process to get the super fine quality of ground nut oil. The filtered oil thus obtained is packed in small and bulk packing for marketing. Further oil cake from expeller are collected on screw conveyor and supplied to cake filling section. The residual oil content is oil cake is around 6%

End use of groundnut cake

- Extraction of protein
- Cattle feed
- Organic fertilizer

Coconut Crushing Process

Coconut Processing Copra oil extraction

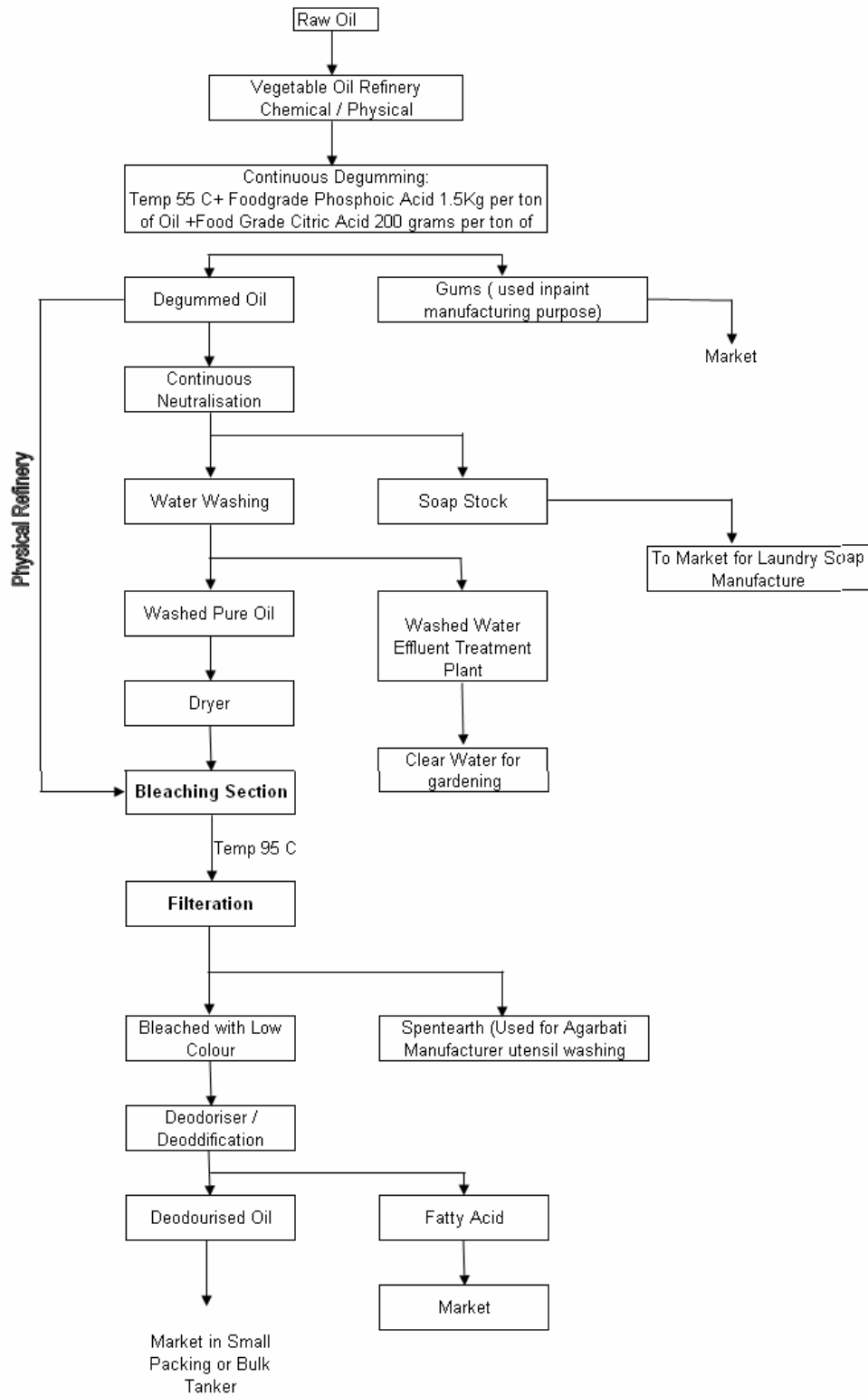


Oil recovery minimum 63%
Crushing loss - 2%

Copra procured from market is cleaned and dried. It is then pass through a copra slicer to make homogenous mixture of copra slice. The sliced copra is cooked to 60-109 degree centigrade to reduce the moisture content before feeding it to expeller through continuous elevator.

The expeller used for copra oil extraction is special expeller with double chamber water cooling arrangement to regulate the extraction temperature for good quality of product. Oil cake obtained after first crushing is subjected to second crushing and extracted oil is pumped to filtration plant for triple filtration. After second crushing, the residual cake contains about 6% to 7% oil. End use of oil cake is confectionery, Cattle feed and Organic fertilizer.

Refining Process of Edible Oil



Refining of Oil: Refining means to remove impurities from the oil, which are not desirable. Oil having two types of impurities (a) oil soluble as colouring matter, odiferous compound, free fatty acid, gummy materials etc. (b) other type of impurities are oil insoluble as sand, seed fragment, dust, straw etc.

There are two methods for refining of raw oil:

- Chemical process
- Physical process

Vegetable oil refining consists of all necessary operations to which oil is submitted in order to obtain a final product of which the colour, taste smell, and stability make it apt for human consumption. Most of the vegetable oils contain impurities, such as fatty acids, phosphatides, pigments, metals, etc., which have to be removed so as to obtain a product. The different steps of the process depend upon the type and quality of the oil to be treated.

Chemical Process: In chemical process impurities of oil is removed by the reaction of some chemicals.

The chemical refining consists in:

- Acid conditioning Neutralization
- Separation of gums and soap in centrifuge
- Washing with water with separation of soaps with centrifuge
- Bleaching
- Deodorizing

Physical process: In physical process, impurities are removed by physical method which means there is no chemical reaction which takes place.

The physical refining consists of:

- Bleaching
- Deodorizing

Acid conditioning cum neutralizing process:

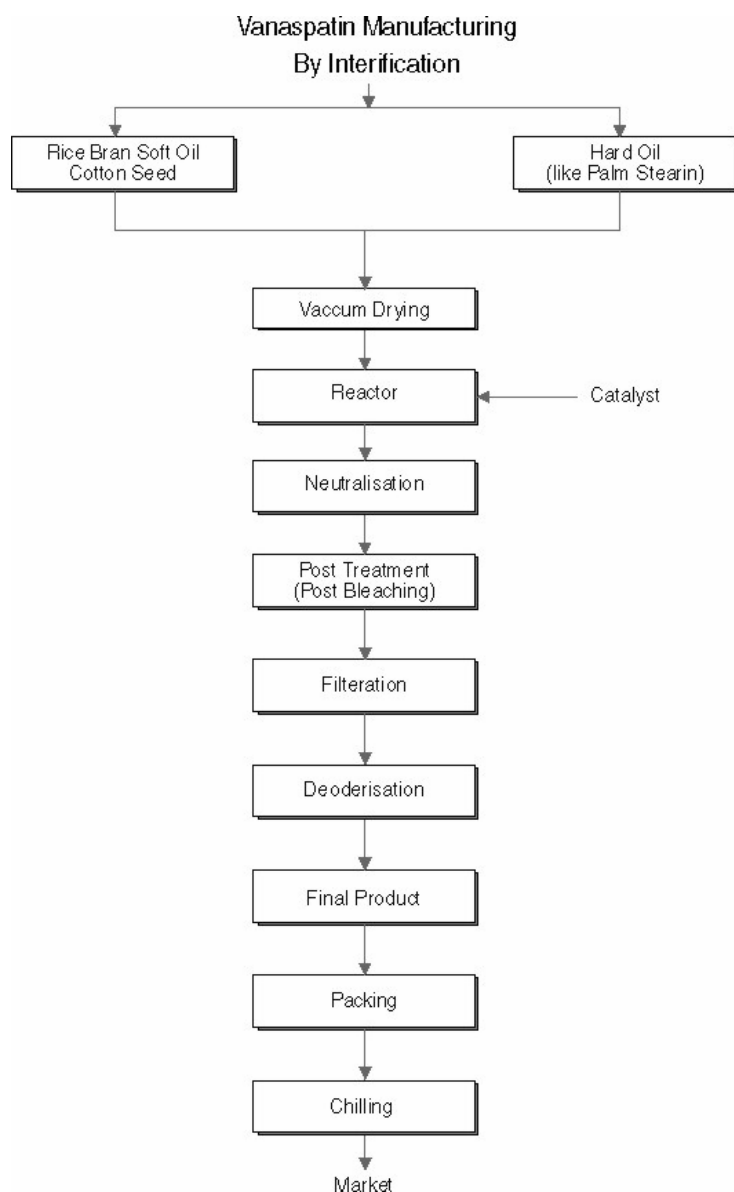
De-gumming: De-gumming is the process of removal of phosphatides and other limy or mucilaginous material. The process consists of hydrating the gums by subsequent removal by centrifugal separation. The oil so obtained is then sent for neutralization.

Bleaching: The oil, after initial purification, is bleached by contact with activated earth and charcoal to improve the colour of the oil to acceptable levels. The process removes other metallic compounds present in the oil and also any soap traces left in the oil after water washing. The process consists of mixing the oil with adequate quantities of bleaching earth, heating it for a specified time temperature cycle followed by removal of bleaching earth from the oil by a filtration process.

Deodorizing: The bleached oil still needs deodorizing to remove impurities, which impart objectionable odours or flavors to the oil. The oil is subjected to high temperature and high vacuum conditions. The oil is cooled, mixed with antioxidants and filtered. The final product is sold in the markets as refined vegetable oil.

Manufacturing Process of Vanaspati

In this process the phase of oil changes by adding hydrogenation at double bond of carbon chain. The main processes involved in manufacturing of Vanaspati are -



Interestification (manufacturing process of Vanaspati Ghee) of oils is a random process that redistributes the fatty acid chains of the triglycerides. For the randomization reaction to take place, the oil must be vacuum dried, mixed with a catalyst and given sufficient time for reaction. After the reaction is completed, it is contacted with aqueous citric acid solution or phosphoric acid to neutralize soap, being vacuum dried again and sent to a post- treatment stage.

The feedstock enters the plant at a controlled flow rate and is heated to the desired drying temperature in the plate heat exchanger (Heater). When the reactor has been stocked, the batch has been kept under vacuum and allowed to dry for several minutes. It is critical that the oil is dried completely, as the catalyst is sensitive to water. When the oil is completely dried, catalyst is dosed into the reactor. The reaction is allowed to proceed under well – agitated conditions. The oil is then sampled and analyzed for melting point as a fast indication.

Catalyst Neutralization

The oil is kept under agitation and the Phosphoric acid is added to the reactor. The mixture remains under well-agitated conditions for around 30 Minutes. At the end of this process the oil follows to the post treatment stage.

Post Treatment

Post Treatment is performed with bleaching earth in order to remove traces of soap and other impurities. Bleaching earth is dosed to the bleacher where shurry is prepared and hold for about 20 minutes.

Filtration

The oil/ earth mixture is pumped through the pressure leaf filter followed by polishing filter where the Earth and solid Impurities are retained. After post treatment, interesterified and bleached oil must be stored under vacuum before being sent to deodorization.

TECHNOLOGY

Degumming, Neutralization and Washing

The shortmix plant is built up as an entirely closed system and is designed to handle vegetable oils in the following operations:

Acid Degumming:

- Acid degumming
- Water washing
- Vacuum drying

Neutralisation and Washing:

- Gum conditioning with phosphoric acid
- Neutralisation with caustic soda
- Water washing with process soft water

Re-refining

The purpose of re-refining is to improve the quality of oil, specially regarding the colour. Neutralised oil is heated to about 85°C in oil heater and treated with lye injected at a controlled rate and mixed with oil in the re -refining mixer after which the mixture enters the re-refining separator to separate oil from soap.

Vacuum drying

Washed oil is fed continuously to the Vacuum dryer and sprayed through specially designed nozzles. The vacuum dryer is kept under a vacuum of 700 torr. The dried oil from the vacuum chamber is continuously pumped out by a pump to the bleaching section directly through heat economiser; this avoids any quality deterioration of oil due to storage under ambient condition.

Bleaching Process

Filtered oil from autoclave is feeded in post bleacher; this oil is bleached with bleaching earth. The temperature of bleacher is kept in between 100-110 C; the bleaching is done under vacuum. This bleached oil is filtered and sent for deodorization.

Deodorization Process

Some smell is developed during hydrogenation & bleaching process, this smell is removed in deodorization process. In this process it is deodorized under high vacuum. After deodorization oil goes to storage tank & from storage tank to blending tank.

INFRASTRUCTURE FACILITY:

1. Raw materials

The process wise requirement of raw materials is as under -

Crushing and Manufacturing: Our main raw materials are namely Copra, Til Seeds, Mustard Seeds, and Groundnut Seeds etc.

Refinery Edible Oil: Our main raw materials are Cotton Seed Oil, Sunflower Crude oil, Palm Oil etc.

Vanaspati Ghee: Our main raw materials are Refined Vegetable Oil, Other soft Oil

For our proposed Manor and Jaipur facilities, we shall procure our raw material viz. Mustard Seeds from Bhartpur and Alwar in Rajasthan, Til Seeds from southern part of Rajasthan and northern part of Gujarat. Copra Seeds from Kerala and Calicut and Groundnut Seeds from Gujarat will be procured.

2. Utilities

Our Company has taken sanction from Maharashtra Electricity Board for 450 KVA and we also have Generator backup for Packing and Filtration. We shall require about 800 KVA of power for our proposed facilities at Manor, district Thane. The application for the same in Maharashtra State Electricity Board is yet to be made. We shall also require about 800 KVA of power for our proposed facilities at Bagru, district Jaipur. An application is being to Jaipur Vidhyut Vikas Nigam Limited (JVVNL) is yet to be made.

3. Water

Our Company has two bore wells, which is self sufficient for water requirements at our Manor unit. For our Jaipur facilities, water will be supplied by RIICO.

4. Manpower

Our Company has employed approximately 322 employees at present at various levels. The details of existing as well as additional requirement of manpower for our proposed project are as under -

Sr. No.	Particulars	Existing	Proposed			Total
		At Manor unit and Registered Office	No. of Employees at Manor	No. of Employees at Jaipur	Additional at Registered Office	
1	Administration	40	2	2	-	44
2	Human Resource	4	-	-	2	6
3	Media & Advertisement	5	-	-	5	10
4	Sales	175	-	-	100	275
5	Supervisors at Factory	8	13	12	-	33
6	Stores	2	6	4	-	12
7	Marketing	15	-	-	5	20
8	Accounts & Finance	17	2	2	-	21
9	Purchase	5	2	2	5	14
10	Production	3	13	12	-	28
11	Research & Development	5	5	-	-	10
12	Logistic	8	5	5	8	26
13	Packing	8	11	3	-	22
14	Workers Skilled	5	31	10	-	46
15	Workers Semi-skilled	10	54	15	-	79

16	Workers Unskilled	12	98	25	-	135
	Total	322	242	92	125	781

Our operations require skilled and semi skilled and experienced project management personnel. Pursuant to the expansion, our Company may require to further strength of qualified professionals for carrying out the business of our Company.

ESOP/ESPS

Our Company does not have any Employee Stock Option Plan or Employee Stock Option Scheme as on date of filing of this Draft Red Herring Prospectus.

Intellectual Property

Our Company has various registered trademarks and keeps on adding as and when new products are launched. For the details of our existing registered trademarks, please refer to the section titled ‘Government/ Statutory and Business Approvals’ starting from page no. [●] of this Draft Red Herring Prospectus.

Insurance

Our Company maintains insurance against various risks, including property damage caused by fire, flood, explosion and similar catastrophic events that may result in physical damage to or destruction of our equipment or stocks. Although we consider our insurance coverage to be of a type and level that are economically prudent, we cannot assure you that we will be able to maintain insurance at rate which we consider commercially reasonable or that such coverage will be adequate to cover any claims that may arise. Overall, we generally maintain insurance covering our assets and operations at levels that we believe to be appropriate for our business. The details of our current insurance policies are as under -

General Insurance

Our Company has also taken insurance for various assets. The details of insurance policies are as under –

Sr. No.	Policy No.	Description	Sum Insured	Period	Insurance Co.
1.	11222575	Factory Building Manor	100.00 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
2.	11222575	Plinth and foundation Manor	20.00 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
3.	11193307	Structure of Factory Building Manor	2.50 lacs	10/06/2007 to 09/06/2008	IFFCO-TOKIO General Insurance Co. Ltd.
4.	11222576	Furniture, Fixture and fittings at Mumbai office	73.70 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
5.	11222576	Furniture, Fixture and fittings at Mumbai office	70.10 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
6.	11222576	Plant and Machinery	500.00 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
7.	11222576	Transformer	4.00 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
8.	2007-32020350	Boiler & Pressure Plant	9.60 lacs	18/10/2007 to 17/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
9.	11224022/0001	Stock in Tanks & Pipelines	25.0 lacs	22/10/2007 to 21/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.
10.	11224022/0001	Stock Of Rm/Veg Oil/ Edible Oil	370.00 lacs	22/10/2007 to	IFFCO-TOKIO General Insurance Co. Ltd.

				21/10/2008	
11.	11224022/0001	Oil Mills Refine (Veg/Animal)	5.00 lacs	22/10/2007 to 21/10/2008	IFFCO-TOKIO General Insurance Co. Ltd.

Vehicle Insurance

Our Company has also taken vehicle insurance for the vehicles, which are owned by us. The details of insurance policies are as under –

Sr. No.	Value of Total Sum Insured (Rs. in lacs)	Annual Premium (Rs. in lacs)	Name of Insurance company
1	58.24	1.60	IFFCO-Tokio General Insurances Company Limited
2	5.30	0.17	The New India Assurance Company Ltd.

PROPERTIES

Freehold Property owned/ taken on lease by Our Company

Freehold Property owned by Our Company

Sr. No.	Description of Property	Details of the Vendor	Agreement Date	Area	Consideration including Stamp Duty and Registration	Details of Registration
1.	Land at village Ten, taluka Palghar, district Thane	Mr. Bahadurbhai Bawabhai Patel, Mr. Kantilal Bahadurbhai Patel, Mr. Ghanshyam Bahadurbhai Patel, Mr. Chotulal Bahadurbhai Patel, Mr. Vinod Bahadurbhai Patel, Mr. Raju Bahadurbhai Patel	July 28, 2004	16,000 sq. mts.	Rs. 15,75,600 (Rupees Fifteen lacs Seventy Five Thousand Six Hundred Only)	1911/2004 July 28, 2004, Registrar Office at Palghar
2.	Land at village Ten (Manor), taluka Palghar, district Thane	Bharat PVC Industries Private Limited	May 17, 2006	16,187 sq. mts.	Rs. 11,91,550 (Rupees Eleven lacs Ninety One Thousand Five Hundred Fifty Only)	02094/2006 June 1, 2006, Registrar Office at Palghar
3.	Guest House at Avval Co-Op. Hsg. Soc. Limited, Flat No. 6, 4th Floor, 61 Morland Road, Mumbai – 400 008	Mr. Imran Noormohammed Sulia	January 19, 2007	615 sq. fts.	Rs. 52,62,960 (Rupees Fifty Two lacs Sixty Two Thousand Nine Hundred and Sixty)	00698/2007 January 22, 2007, Registrar Office at Mumbai City no. 1

Lease hold Properties taken by Our Company

Sr. No.	Description of Property	Details of the Lessor	Agreement Date	Area	Consideration inclusive of Stamp Duty & Registration.	Details of Registration
1.	Land at F-9, RIICO Industrial Area of Bagru Kalan Extn – Phase II, Jaipur, Rajasthan	Rajasthan State Industrial Development & Investment Corporation Ltd., issued vide their Letter No. U(12)-3/2007-08/5292 dated 20.3.2008 Transfer of Lease hold rights Plot No. 9 by Anand Arts & Crafts Pvt. Ltd.	January 18, 2008	2,827 sq. mts.	Rs. 1,28,04,500 (Rupees One Crore Twenty Eight Lacs Four Thousand Five Hundred Only)	2008399000249 January 18, 2008 Sub Registrar of Land Sanganer, (Jaipur)
2.	Land at F-10, RIICO Industrial Area of Bagru Kalan Extn – Phase II, Jaipur, Rajasthan	Rajasthan State Industrial Development & Investment Corporation Ltd., issued vide their Letter No. U(12)-3/2007-08/5293 dated 20.3.2008 Transfer of Lease hold rights Plot No. 10 by M/s. Anand Sales Corporation	January 18, 2008	1,900 sq. mts.	Rs. 64,14,500 (Rupees Sixty Four Lacs Fourteen Thousand Five Hundred Only)	2008399000250 January 18, 2008 Sub Registrar of Land Sanganer, (Jaipur)

Rental Property taken by Our Company

Sr. No.	Description of Property	Owner	Agreement Date	Area	Rent	Details of Registration /Remark
1.	Avval Mansion 222 - 240 Bellasis Road, Mumbai – 400 008 (out of this 224 to 230 used as Registered Office and remaining for administrative and general purpose)	M/s. Raj Builders (tenancy to Mr. Shaukat S. Tharadra)	October 1, 2007	8,950 sq. ft.	Rs. 70 per Sq. ft. (Rupees Seventy Only) per Sq. ft.	Not registered
2.	Sales Office at Jampabar,	Sunnat Jamat Shahi Masjid	March 1, 2008	-	Rs. 1,200 pm (Rupees One	Not registered

	Nani Daman, district Daman	Society			Thousand Two Hundred only) Per Month	
3.	Sales Office at No. H-223, Ground Floor Karampura, New Delhi – 100 015	Mr. Harpreet Singh	November 28, 2006	-	Rs. 5,500 pm (Rupees Five Thousand Five Hundred only) Per Month	22410, 28 th November, 2006 Registrar / Sub Registrar Delhi Valid upto November 14, 2008

Our Competitive Strengths

For the details of our competitive strengths, please refer to the sub section “Qualitative Factors” under the section titled “Basis for Issue Price” starting from page no. [●] of this Draft Red Herring Prospectus.

Marketing and Selling Arrangements

We have a well established network spread across states catered by Consignee Agents and their distributors. These agents then distribute our products to the numerous retailers spread across the length and breadth of India. Our Company has a strong retail network; going ahead we will further spread our areas of operations. We intend to engage more consignee agents to increase the product visibility by our continuous brand building activities through various incentives and promotional schemes for our consignee agents and distributors to have pan India presence. With the help of distribution network and marketing team, we keep ourselves updated about market demand and consumer requirements. Based on this information & marketing team analysis, we reschedule our production & distribution. We keep adequate stocks at our depots so as to make our product available at short notices.

Products

Our major product categories can be classified as under –



Cocoraj Coconut Oil

Cocoraj, the pure edible grade of coconut oil is also one of the popular coconut oil brands in the country.



Cocoraj Cool Ayurvedic Oil

Cocoraj Cool - a combination of coconut oil and medicinal herbs is an ayurvedic oil.



Guinea Filtered Groundnut Oil

Guinea - the flagship brand of our Company, is a premium quality healthy cooking medium. Guinea filtered pure groundnut oil with its original groundnut taste greatly enhances the taste of all your favourite dishes.

Guinea Lite Refined Groundnut oil



A healthy oil that's easy to digest, less absorbent and suitable for deep frying, Guinea Lite refined groundnut oil is ideal for today's changing life-styles and food habits.

Guinea Lite Refined Sunflower Oil



Guinea Lite refined Sunflower oil is processed using the advanced technology that helps retain its natural vitamins. The Guinea Lite Sunflower brand offers the sunflower oil with the quality.



Tilraj Til Oil

Tilraj til oil is natural and pure healthy oil that is filtered to ensure its superior quality. Tilraj enjoys a prestigious reputation among our customers and is a leading medium for pickle-making in the country.

Mustraj Mustered Oil



Mustraj is natural oil extracted from the seeds through the 'Kachhi Ghani' process. Its natural pungent, flavour is retained in filtered process, making it a good choice for pickles.

Guinea Lite Refined Cottonseed Oil



GUINEA Lite Refined Cottonseed oil is a traditional vegetable oil extracted from the seeds of the cotton plant. It has no cholesterol and it is lite, non-oily.

Guinea Lite Refined Soyabean Oil



Guinea Lite Refined Soyabean Oil is a healthy, nutritious and delicious cooking medium.

OUR BUSINESS STRATEGY

Versatile Manufacturing capabilities

Our proposed manufacturing facilities at Manor and Jaipur will have the ability to provide comprehensive range of oil products. Moreover, we believe that we shall be one of the few players in the edible oil industry in India to produce a broad variety of edible oil and derivative products. Our facilities will be versatile in nature and will be able to process various types of edible oil including palm, soyabean, cotton, sunflower, groundnut, mustard, til, coconut.

Our proposed manufacturing facilities shall be fully integrated, starting from extraction of edible oil from seeds to refining and filtration of edible oils. We believe that this large-scale and versatile manufacturing infrastructure shall give us a significant advantage over other unorganized players in the industry and shall allow us to compete more effectively with organized manufacturers in this sector. As a result, we shall be able to reach a wider market through our large distribution network to provide a product mix that responds to customer demands.

High Quality Products

We are investing in high quality manufacturing equipments to ensure efficient production of quality products. The scale of our operations and our experience in the business shall enable us to provide quality products in "premium" edible oil. We believe our quality products enable us to compete with the organized players. We also believe that our investment in technology shall allow us to provide quality to our customers demanding bulk quantities, allowing us to attract new customers and differentiate ourselves from other competitors.

Our wide product range

Our Company has wide range of products, offering mustard oil, sunflower oil, groundnut oil, cottonseed oil, til oil and ayurvedic oil. Our Company has varied oils and derivative products in its product basket allowing the customer to choose as per their requirement. Our Company deals in edible oil in bulk quantities and customer retail packs such as 15 Litre, 10 Litre, 5 Litre, 1 Litre pack 5ml, 50ml, 100ml, 200ml, packs. Penetration in the rural areas is more with smaller packs.

Competitive conditions

We may face the competition from established players like Ruchi Soya, K.S.Oil, Sanwaria Agro Oil, Vimal Oil and Foods etc. Our experience in this business, have enabled us to provide quality products in response to customers demand for premium and branded Edible oil. This set us apart from the unorganized sector of the Edible oil industry and also enables us to compete with the organized players.

KEY INDUSTRY REGULATIONS AND POLICIES

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

General

Our Company is engaged in the business of manufacturing, trading and refining edible oil. For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please refer to the section titled “Government Approvals” starting from page no. [●] of this Draft Red Herring Prospectus.

Foreign Ownership

Under the Industrial Policy and FEMA, 100% FDI is permitted in our industry.

Industrial Laws

The Factories Act, 1948 is a social legislation which has been enacted for occupational safety, health and welfare of workers at work places. It applies to a factory i.e., a place in which ten or more workers are employed on any day of the preceding twelve months and are engaged in manufacturing process being carried out with the aid of power or twenty or more workers are employed in manufacturing process being carried out without the aid of power.

Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract Labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for inadequate wage payments by the contractor to the labour.

The Industries (Development and Regulation) Act, 1951 covers industries dealing in edible oil products, and mandates that such industries must, prior to being set up, acquire a license from the Central Government in this behalf.

The Shops and Establishment Act governs the Company in the states where it has offices/godowns. It regulates the conditions of work and employment in shops and commercial establishments and generally prescribes obligations in respect of registration, opening and closing hours, daily and weekly working hours, health and safety measures, and wages for overtime work.

The Prevention of Food Adulteration Act, 1954 is the basic statute intended to protect the common consumer against supply of adulterated food and specifies different standards on various articles of food. The standards are of minimum quality level intended for ensuring safety in the consumption of these food items and for safeguarding against harmful impurities, adulteration etc. Provisions of the Act are mandatory and contravention of the Rules can lead to both fine and imprisonment. The standards of quality of various food articles have been specified in Appendix B to the Prevention of Food Adulteration Rules, 1955. Manufacture, sale, stocking, distribution or exhibition for sale of any article of food, including prepared food or ready to serve food, cannot be done by any person except under a license.

Edible Oils Packing (Regulation) Order, 1998: In the context of the incidence of adulteration of oil with argemone oil and consequent dropsy cases and dropsy deaths, this Order derives its powers from the Essential Commodities Act. The basic objective of the Order is to ensure availability of safe and quality edible oils in packed form to the consumers.

Vegetable Oil Products (Control) Order, 1947 puts the responsibility for implementation of the standards of quality of the vegetable oil product particularly at the manufacturing stage with the Directorate of Vanaspati, Vegetable Oils and Fats.

Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 controls the production and distribution of solvent extracted oils, deoiled meal, edible flours and hydrogenated vegetable oils (Vanaspati). This order is operated by the Directorate of Vanaspati, Vegetable Oils and Fats under the Department of Civil Supplies in the Ministry of Food and Civil Supplies.

Solvent Reffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 puts restriction on sale and use of solvents, reffinates, slops and other products. This order lays down detailed provisions and procedure for obtaining license, for acquire, store or sell solvent, raffinate, slops or their equivalent and other products issued by the State Govt. or the District Magistrate or any other officer authorized by the Central/State Govt. According to this order no person shall either use or help in any manner the user of solvents, raffinated, slops or their equivalent or other products except Motor Spirit and High Speed Diesel in any automobile.

The Explosives Act, 1884 regulates the manufacture, possession, use, sale, transport and importation of the explosives. As per Section 4 (h) "manufacture" in relation to an explosive includes the process of:

(1) Dividing the explosive into its component parts or otherwise breaking up or unmaking the explosive, or making fit for use any damaged explosive; and

(2) Re-making, altering or repairing the explosive. The Central Government may, for any part of India make rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Moreover, the Central Government may also from time to time, by notification, prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Central Government, is expedient for the public safety to issue the notification.

The Bombay Prohibition Act, 1949 prohibits the production, manufacture, possession, exportation, importation, transportation, purchase, sale, consumption and use of all intoxicants. However, these operations are lawful if they are permitted by rules, regulations and orders. The Act also regulates the possession, sale etc., of mhowra flowers and molasses.

The Indian Boilers Act, 1923 contains law relating to steam boilers. The Act applies to all boilers used for generating steam under pressure, exceeding 22.75 ltrs. Capacity and to the steam-pipe, feed pipe, economizer and any mounting or other fitting attached to the boiler. The owner is required to get registered for using a boiler under the provisions of the Indian Boilers Regulations, 1950.

The Petroleum Act, 1934 provides for provisions relating to the import, transport, storage, production, refining and blending of petroleum.

The Agricultural Produce (Grading & Marking) Act, 1937 provide for the grading and marking of agricultural and other produce.

The Standards of Weights and Measures Act, 1976 was enacted to establish standards of weights and measures, to regulate inter-state trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers, and to provide for matters connected therewith or incidental thereto.

The Payment of Wages Act, 1936 regulates payment of wages to certain classes of employed persons. It makes every employer responsible for the payment of wages to person employed by him. No deductions can be made from the wages nor can any fine be levied on wages earned by a person employed except as provided under this Act.

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

The Workmen's Compensation Act, 1923 has been enacted with the objective to provide for the payment by certain classes of employers to their workmen or their survivors, compensation for industrial accidents and occupational diseases resulting in death or disablement. In case the employer fails to pay compensation due under the Act within one month from the date it falls due the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Payment of Gratuity Act, 1972 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 Super annuation; or
- b) On his/her retirement or resignation; or
- 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 Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs. 100, whichever is higher.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

Pollution Laws

The Environmental Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Water (Prevention and Control of Pollution) Act, 1981 prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board.

The Air (Prevention and Control of Pollution) Act, 1981 provides for the prevention, control and abatement of air pollution. No person operating any industrial plant, in any air pollution control area shall discharge or cause emission of any air pollutant in excess of the standards prescribed by the State Board in this regard.

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

HISTORY AND CORPORATE STRUCTURE

History and Major Events

Raj Oil Mills Limited was incorporated on October 17, 2001 vide Registration No. 11 - 133714. Our Company has received Commencement of Business Certificate on November 6, 2001.

Raj Oil Mills Limited was promoted by Mr. Shaukat S. Tharadra. Our Company acquired the running business of M/s. Raj Oil Mills, partnership firm (exclusive of Land & Building and intangible property in the form of Brands, Trademarks and Copyrights) vide Deed of Assignment w. e. f. April 1, 2002 for a consideration of Rs. 75 lacs. M/s. Raj Oil Mills, partnership firm, founded in the year 1943 by late Mr. Haji Suleman Jamal (father of Mr. Shaukat S. Tharadra). In the year 1966, late Mr. Haji Suleman Jamal passed away giving the reins of the business to Mr. Shaukat S. Tharadra.

Through five different Agreements dated December 17, 2007, December 20, 2007, December 31, 2007, December 26, 2007 and December 13, 2007 respectively entered into between our Company and M/s. Raj Oil Mills, partnership firm at total consideration of Rs. 5,555, our Company acquired all intangible property in the form of Brands, Trademarks and Copyrights from M/s. Raj Oil Mills, partnership firm. M/s. Raj Oil Mills was owner of 'Cocoraj', 'Guinea' and 'Raj' brands, which later became the umbrella brands of our Company.

Our Company currently manufacturing Coconut Oil and Coconut Cake and also carry out filtering and refining of various edible oils such as Groundnut Oil, Mustard Oil, Cottonseed Oil etc.

Year	Events
2001	- Incorporated as a Public Limited Company on October 17, 2001 - Obtained Commencement of Business Certificate on November 6, 2001
2002	Acquired the running business of M/s. Raj Oil Mills, partnership firm on April 29, 2002
2004	Acquired 16000 sq. mtrs. of land at village Ten, Manor, taluka Palghar, district Thane, state Maharashtra
2005	In March 2005, all Plant and Machinery were shifted from Andheri (East), Mumbai to the new site at Manor, Thane
2007	- Expanded capacity from 20,000 TPA to 35,000 TPA - Introduced a new product under the brand name of 'Cocoraj Cool'
2008	Introduced a new product under the brand name of 'Cocoraj Enriche'

Main Objects as per Memorandum of Association

- To carry on the business of buyers, sellers, importers, exporters, distributors, wholesalers, retailers, manufacturers, processors, reproducers, extractors & merchants in edible oil seeds, edible oils, synthetic edible oils, vegetable oil including refined solvent, extracted either by crushing or by chemical or any other processes from copra, cotton seed, linseed, castor seed, groundnut, till or any other nut or seed or other oil bearing substance and oil cakes and blended oils, vanaspati, fats, oil bearing substances oil bearing protein, hydrogenated oils, vegetable ghee, vegetable products, oils, stearine, fatty acids, acytiline, gas, starch, glucose, margarine, 'shortening' compounds, cooking mediums, salad oils, refined oils, and all other products and by-products and the preparation of all or any of the said products or substances and for that purpose to maintain, erect, and work oil mills and factories.
- To manufacture, produce, import, export, refine, prepare, purchase, store, sell, and generally to trade and deal in oil seeds and all kinds edible oils, vegetable oil including refined, solvent, extracted and blended oils, vanaspati, fats, oil bearing substances, oil bearing protein, hydrogenated oils, vegetable ghee, copra, cotton-seed, linseed, castor-seed, groundnuts, till or seed or oil-bearing substance and oil cakes.

Note:

Further to above mentioned Main Objects as per our Memorandum of Association, pursuant to a resolution passed by our shareholders at the Extra Ordinary General Meeting held on January 22, 2002, Clause 77ii relating to Ayurvedic and Cosmetic business was inserted in the other objects clause of the Memorandum of Association which reads as follows:

“77 ii. To carry on business as manufacturers, producers, growers, fabricators, Processors, refiners, stockiest, agents, importers, exporters, concessionaries or dealer of chemicals spirits, mixtures tonics, Pigments powder, compounds mother tinctures, triturations, creams, scents, soaps, detergents, perfumes, toilet requisites, hygienic, mosquito mats, hair oil, shampoo, and lotions of all kinds of medical pharmaceuticals and cosmetics preparations required or used in ayurvedic, homeopathic allopathic, unani, herbal or nature cure or any other medicines or branch of medicines or required or used as beauty aim or personal hygiene or health care whether for human, animals, birds, insects for whatever purpose such as curation, prevention or nourishments.”

At the same meeting, members have passed special resolution under section 149(2A) of the Companies Act, 1956 to carry on the ayurvedic and cosmetic business.

Changes in Memorandum and Articles of Association

Date of Alteration	Nature of Alteration
January 31, 2002	Change in the Objects Clause by adding the following new sub- clause 77 ii after the existing sub- clause 77 i of clause (C) relating to other objects in the Memorandum of Association of our Company
January 31, 2002	Increase in Authorised Capital from Rs. 25 lacs to Rs. 300 lacs
December 3, 2002	Increase in Authorised Capital from Rs. 300 lacs to Rs. 600 lacs
November 10, 2003	Increase in Authorised Capital from Rs. 600 lacs to Rs. 1,200 lacs
April 5, 2007	Increase in Authorised Capital from Rs. 1,200 lacs to Rs. 3,000 lacs
March 26, 2008	Increase in Authorised Capital from Rs. 3,000 lacs to Rs. 4,000 lacs

Changes in Registered Office

The table below shows the changes in the Registered Office of the Company since Incorporation

Previous Address	New Address	Reason of change	Date of Change
Raj Oil Mills Compound, Military Road, Marol, Andheri (E), Mumbai – 400 059	224 –230, Bellasis Road, Mumbai – 400008	Operational Convenience	March 5, 2005

Subsidiaries of our Company

Our Company does not have any Subsidiary as on date of filing this Draft Red Herring Prospectus.

Shareholders agreements

Our Company does not have any shareholders' agreements as on date of filing this Draft Red Herring Prospectus.

Other Agreements

As on the date of filing this Draft Red Herring Prospectus, we are not a party to any material contract:

- (i) not being a contract entered into in the ordinary course of our business carried on or intended to be carried on by us; or
- (ii) which was entered into more than two years before the date of filing of this Draft Red Herring Prospectus with SEBI except as mentioned below:

Our Company has entered into consignee agreements for sale of goods and the same are not pre judicial to the interest of our Company. Our Company has not entered into any long term agreement as well as contract for purchase of raw materials.

(1) Agreement for purchase of Land at Hissa Nos. 4 & 6, Hissa No. 1, village Ten, taluka Palghar, district Thane

Date of Agreement: July 28, 2004

Vendors to this Contract:

- (1) Mr. Bahadur Bawabhai Patel
- (2) Mr. Kantilal B. Patel
- (3) Mr. Ghanshyam B. Patel
- (4) Mr. Chotulal B. Patel
- (5) Mr. Vinod B. Patel
- (6) Mr. Raju B. Patel

Purchaser to this Contract:

- (1) Raj Oil Mills Limited

Our Company entered into Agreement with above mentioned Vendors for purchasing a Plot of Land admeasuring 16,000 sq. mts. situated at village Ten (Manor), taluka Palghar, district Thane.

Important Covenants of the Agreement were as follows:

Sr. No.	Particulars	Status
1	Consideration to be paid by our Company for the aforesaid property – Rs. 15.00 lacs	Property stands in the name of our Company
2	The Vendors to assign, grant, release, convey, transfer and assure unto the Purchaser the aforesaid piece of land on receipt of Consideration	The Title of the Land is in the name of our Company

(2) Agreement for Purchase of Plot of Land at Manor, taluka Palghar, district Thane

Date of Agreement: May 17, 2006

Parties to this Contract:

- (1) Bharat P.V.C. Industries Private Limited: Vendor
- (2) Raj Oil Mills Limited: Purchaser

Important Covenants of this Agreement were as follows:

Sr. No.	Particulars	Status
1	Consideration to be paid by our Company for the aforesaid property is Rs. 15.00 lacs	Property stands in the name of our Company
2	The Vendor to assign, grant, release, convey, transfer and assure unto the Purchaser the aforesaid piece of land on receipt of Consideration	The Title of the Land is in the name of our Company

Our Company entered into Agreement with Bharat P.V.C. Industries Private Limited for purchasing a Plot of Land admeasuring 16,187 sq. mtrs. situated at village Ten (Manor), taluka Palghar, district Thane.

(3) Sub – Tenancy Agreement for the Premises at 222/240, Bellasis Road, Mumbai

Date of Agreement: October 1, 2007

Parties to this Agreement:

- (1) Mr. Shaukat S. Tharadra
- (2) Raj Oil Mills Limited

Our Company had entered into a Sub – Tenancy Agreement with Mr. Shaukat S. Tharadra for Occupation of the aforesaid Property admeasuring 8,950 sq. ft. on rental basis.

Important Covenants of the Agreement are as follows:

Sr. No.	Particulars	Status
1	Our Company to be granted perpetual Sub – Tenancy Rights for the aforesaid Premises	Already Granted
2	Monthly Rent to be paid by our Company is Rs. 70 per sq. ft.	Complied with till date
3	Every year the rent will be escalated by 5%	-
4	Our Company agreed to pay all the Municipal Taxes, Charges, Repair Cess	-
5	Our Company has agreed to pay the rent before the 10th of each and every month	Complied with till date
6	Penalty for delay in payment of rent is 9% p.a.	-
7	Our Company shall pay to Mr. Shaukat S. Tharadra the increase in Municipal Taxes, Repair Cess and other taxes and levies that may be levied by the Government, Semi - Government Authorities or local or semi- local bodies in respect of the aforesaid premises with retrospective effect	-
8	Our Company shall not carry out any structural additions or alterations to the said premises without the prior written consent of Mr. Shaukat S. Tharadra	-
9	Our Company shall not sub – let the aforesaid premises or shall not create any kind of third party rights without the written consent of Mr. Shaukat S. Tharadra	-
10	Our Company shall not create any encumbrances on the aforesaid premises	-
11	Our Company shall maintain the aforesaid premises in good and tenantable conditions and repairs at their own cost	-
12	Our Company has not registered this Agreement	-

(4) Agreement entered into for acquisition of Plot No. F- 9 admeasuring 2,827 sq. mtrs. at RIICO Industrial Area at Bagru Kaln Ext. Ohase -II, Jaipur, Rajasthan

Date of Agreement: January 18, 2008

Parties to this Agreement:

- (1) Anand Arts & Crafts Private Limited: Vendor
- (2) Raj Oil Mills Limited: Purchaser

Important Covenants of this Agreement:

Sr. No.	Particulars	Status
1	Consideration to be paid by our Company for the aforesaid plot is Rs. 120.00 lacs	Already Paid
2	Rajasthan State Industrial Development & Investment Corporation Ltd., issued vide their Letter No. U (12)-3/2007-08/5292 dated 20.3.2008 for transfer of Lease hold rights for Plot No. 9 of Anand Arts & Crafts Pvt. Ltd. to our Company.	Already Done

(5) Agreement entered into for acquisition of Plot No. F - 10 admeasuring 1,900 sq. mtrs. at RIICO Industrial Area at Bagru Kaln Ext. Ohase - II, Jaipur, Rajasthan

Date of Agreement: January 18, 2008

Parties to this Agreement:

- (1) Anand Sales Corporation
- (2) Raj Oil Mills Limited

Important Covenants of this Agreement:

Sr. No.	Particulars	Status
1	Consideration to be paid by our Company for the aforesaid plot is Rs. 60.00 lacs	Already Paid
2	Rajasthan State Industrial Development & Investment Corporation Ltd., issued vide their Letter No. U(12)-3/2007-08/5293 dated 20.3.2008 Transfer of Lease hold rights for Plot No. 10 of M/s. Anand Sales Corporation to our Company	Already Done

(6) Deed of Assignment entered into for Assignment of Trademark and Labels

Total No. of Agreements entered into: 5

Parties to these Agreements:

- (1) M/s. Raj Oil Mills (partnership firm): Assignor
- (2) Raj Oil Mills Limited: Assignee

Our Company has entered into 5 (five) agreements with M/s. Raj Oil Mills, Partnership Firm, through which the various Trademarks and Labels have be assigned to our Company.

Important Covenants of these Agreements are:

(i) Agreement 1

Date of Agreement: December 17, 2007

The following Trademarks and Labels were transferred vide this Agreement:

Sr. No	Registration No.	Brand Name	Class
1	328202	COCORAJ (LABEL)	29
2	427210	COCORAJ ROM (TREE)	29
3	427214	COCORAJ WORD PER SE	29
4	549767	COCORAJ BLUE (LABEL)	29
5	807897	COCORAJ	29
6	815361	COCORAJ (WORD)	3
7	859000	COCORAJVATI	3

8	859001	COCORAJVATI	29
9	859228	COCORAJENRICH	29
10	859229	COCORAJENRICH	3
11	864027	COCORAJENRICH	5
12	871608	COCORAJ	3
13	871609	COCORAJ	5
14	886577	COCORAJ LITE	29
15	886578	COCORAJ LITE (WORD)	3
16	899133	COCORAJ TOTAL (WORD)	3
17	899134	COCORAJ TOTAL	29
18	899138	COCORAJ TOTAL (WORD)	5
19	944033	COCORAJINDIA COM	9
20	944385	COCORAJINDIA. COM	16
21	991706	COCORAJ NATURAL (LABEL)	29
22	1111082	COCORAJ (MARATHI)	29
23	1111083	COCORAJ (GUJ)	29
24	1111084	COCORAJ (KANNADA)	29
25	1126594	COCORAJ ENRICHE	5
26	1126595	COCORAJ ENRICHE	3

The consideration payable for the transfer of aforesaid Trademarks and Labels was Rs. 1,111. The said consideration is paid and aforesaid Trademarks and Labels are transferred to our Company.

(ii) Agreement 2

Date of Agreement: December 20, 2007

The following Trademarks and Labels were transferred vide this Agreement:

Sr. No.	Registration No.	Brand Name	Class
1	138917	RAJ LOGO	29
2	138918	RAJ (BRAND)	29
3	427202	RAJ BRAND	29
4	427209	RAJ BRAND	29
5	427694	RAJ BRAND	29
6	991707	RAJ BRAND (WORD)	29
7	991708	RAJ BRAND (LABEL)	29
8	991709	RAJ BRAND	30
9	991710	RAJ BRAND	31
10	991711	RAJ BRAND	32

The consideration payable for the transfer of aforesaid Trademarks and Labels was Rs. 1,111. The said consideration is paid and aforesaid Trademarks and Labels are transferred to our Company.

(iii) Agreement 3

Date of Agreement: December 31, 2007

The following Trademarks and Labels were transferred vide this Agreement:

Sr. No.	Registration No.	Brand Name	Class
1	147000	ROM	29
2	148299	ROM LABEL	29
3	148301	RAJ TEEL OIL	29
4	149343	RAJ LOGO	29
5	427208	RAJ OIL MILLS WORDS PER SE	29
6	826050	ROM LOGO	29

The consideration payable for the transfer of aforesaid Trademarks and Labels was Rs. 1,111. The said consideration is paid and aforesaid Trademarks and Labels are transferred to our Company.

(iv) Agreement 4

Date of Agreement: December 26, 2007

The following Trademarks and Labels were transferred vide this Agreement:

Sr. No.	Registration No.	Brand Name	Class
1	149344	MUSTARD OIL (L)	29
2	427213	MUSTARD OIL (L) – (RAJ BRAND)	29
3	808952	PALMRAJ	29
4	963691	MUSTRAJ	29
5	991702	MUSTRAJ	29
6	1053937	SOYARAJ	29
7	1053941	CORNRAJ	29
8	1099680	SOYARAJ	29

The consideration payable for the transfer of aforesaid Trademarks and Labels was Rs. 1,111. The said consideration is paid and aforesaid Trademarks and Labels are transferred to our Company.

(v) Agreement 5

Date of Agreement: December 13, 2007

The following Trademarks and Labels were transferred vide this Agreement:

Sr. No.	Registration No.	Brand Name	Class
1	224278	GUINEA BRAND	29
2	427212	GUINEA BRAND (L)	29
3	507912	GOLDEN GEENEE	29
4	507914	PANCH GUINEA	29
5	810858	GUINEARAJ	29
6	811058	GUINEARAJ (LABEL)	29
7	826047	GUINEA	29
8	826049	GUINEA	29
9	826051	GUINEA BRAND	29
10	944388	GUINEA.COM	16

11	944389	GUINEA.COM	16
12	1111086	GUINEA (WORD IN GUAJARATI)	29
13	1111087	GUINEA	29

The consideration payable for the transfer of aforesaid Trademarks and Labels was Rs. 1,111. The said consideration is paid and aforesaid Trademarks and Labels are transferred to our Company.

There is no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by our Company and there are no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

Strategic partners

Our Company has no strategic partners.

Financial partners

Our Company has no financial partners.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have at least three directors and cannot have more than twelve directors. We currently have eight Directors on our Board.

The following table sets forth details regarding our Board of Directors:

Name, Designation, DIN and Occupation	Age	Address	Other Directorships
Mr. Shaukat S. Tharadra S/o. Mr. Suleman J. Tharadra Chairman and Managing Director DIN: 01598234 Business	63 years	Flat no. 9, 6 th Floor, Avval Co-operative Housing Society, 61, Morland Road, Mumbai – 400 008	Nil
Mr. Azamkhan F. Lohani S/o. Mr. Fatehkhan S. Lohani Wholetime Director DIN: 01211179 Service	59 years	Flat no. 204, 2 nd Floor, Avval Co-operative Housing Society, 61, Morland Road, Mumbai – 400 008	Nil
Mr. Abdulla K. Musla S/o. Mr. Kalukhan Musla Wholetime Director DIN: 01211224 Service	49 years	Flat no. 3/B, 3 rd Floor, Avval Co-operative Housing Society, 61, Morland Road, Mumbai – 400 008	Nil
Mr. Rashid I. Tharadra S/o. Mr. Ismail S. Tharadra Wholetime Director DIN: 02060609 Service	47 years	3 rd Floor, Mukarama Building, Momin Nagar, Jogeshwari (West), Mumbai – 400 102	Nil
Mr. Bhimji V. Ratanghayra S/o. Mr. Vallabhdas M. Ratanghayra Independent Director DIN: 02060626 Practicing Chartered Accountant	67 years	1201, Adinath Tower, Sudha Park, Opposite Shanti Park, Ghatkopar (West), Mumbai – 400 077	Nil

Mr. Mohamedi T. Singaporewala S/o. Mr. Taherali R. Singaporewala Independent Director DIN: 02004022 Practicing Advocate	59 years	Flat no. 302, Sarkar Tower III, 50, Nesbit Road, Mazgaon, Mumbai - 400 010	Nil
Mr. Narotambhai V. Patel S/o. Mr. Virabhai V. Patel Independent Director DIN: 01910519 Service	60 years	D-1, Gujarat Krishi University, Krishi Vigayan Kendra, Disa, Gujarat – 385 535	Nil
Dr. R. H. Balasubramanya S/o. Mr. Hanyal S. Hiriyanaiiah Independent Director DIN: 01985883 Service	60 years	601, CIRCOT Staff Quarters, Adenwala Road, Matunga, Mumbai - 400 019	Nil

Brief Profile of our Promoter Directors

For a brief profile of our Promoter Director - Mr. Shaukat S. Tharadra, please refer to the section titled “Our Promoter and Promoter Group” beginning on page [●] of this Draft Red Herring Prospectus.

Brief Profile of our other Directors

Mr. Azamkhan F. Lohani, 59 years, is the Wholetime Director of our Company. He started his career in year 1968 as an Administrative Assistant to Mr. Shaukat S. Tharadra. He carries vast experience of about four decades in General Administration. Presently, he looks after the General Administration and Management, Compliance of Labour Laws and Human Resource Management of our Company.

Mr. Abdulla K. Musla, 49 years, is the Wholetime Director of our Company. He played a prominent role in expansion activities of our Company. He started his career in year 1978 as a Finance Assistant to Mr. Shaukat S. Tharadra. He carries about three decades experience in Accounts and Finance field. Presently, he looks after Accounts and Finance related activities of our Company.

Mr. Rashid I. Tharadra, 47 years is the Wholetime Director of our Company. He started his career in year 1993 by joining M/s. Raj Oil Mills, partnership firm. He carries total experience of more than 15 years in Plant and Production in Edible Oil Industry. Presently, he looks after the planning of Production Strategies.

Mr. Bhimji V. Ratanghayra, 67 years, is an Independent Director of our Company. He holds a Bachelor’s degree in Commerce and is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He started his career in year 1968 and has about 4 decades of experience in the field of Finance, Accounts, Sales Tax, Audit and Taxation. Currently he is a practicing Chartered Accountant.

Mr. Mohamedi T. Singaporewala, 59 years, is an Independent Director of our Company. He holds a Bachelor’s degree in Arts with a major in Economics from University of Mumbai, Bachelor’s degree in Law from University of Mumbai and a Master’s degree in Law from University of Mumbai. He is member of the Bar Council of Maharashtra and has been appointed as Notary to the Government of Maharashtra since 1988. He is a practicing Advocate and has more than 3 decades of experience in Legal matters. He has received awards such as ‘Sarvshri’ Certificate of Honour from Special Executive Magistrates Directory Committee, ‘Samajshri’ Order of Merit for Legal Aid by Indian Council of Management Executives.

Mr. Narotambhai V. Patel, 60 years, is an Independent Director of our Company. He holds a Master's degree in Science with a major in Agronomy from Gujarat Agricultural University. He has more than 3 decades of experience in Argo field. Currently he is working as Head of Scientific Research Institution, Disa, Sardar Agriculture University.

Dr. R. H. Balasubramanya, 60 years, is an Independent Director of our Company. He is the Principal Scientist and Head of Chemical and Biochemical Processing Division of Central Institute for Research on Cotton Technology, Matunga, Mumbai. He holds a Master's degree in Science (Agriculture) from University of Agricultural Sciences, Bangalore along with a Doctor of Philosophy (PhD) degree in Agricultural Microbiology from University of Agricultural Sciences, Bangalore. He has over 3 decades of experience in the field of Agricultural Microbiology.

Borrowing Powers of the Directors in our Company

Pursuant to a resolution passed by our shareholders at an Extra Ordinary General Meeting held on January 14, 2008 in accordance with provisions of the Companies Act, our Board has been authorized to borrow sums of money for the purpose of our Company upon such terms and conditions and with or without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by our Company shall not exceed, at any time, a sum of Rs. 30,000 lacs.

As on the date of filing this Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 293 (1) (d) of the Companies Act, 1956.

Appointment and Compensation of our Wholtime Directors

Name	Mr. Shaukat S. Tharadra
Designation	Chairman and Managing Director
Date of Re-appointment	October 1, 2007
Period	3 years
Salary	Rs. 2.50 lacs per month
Perquisites	Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a maximum as may be fixed by the Board of Directors from time to time on the basis of the performance of our Company. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. - The Salary and Perquisites as mentioned above shall be exclusive of - - Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961. - Gratuity as per the rules of our Company. - Leave as per the rules of our Company including encashment of leave at the end of the tenure. - Apart from above mentioned remuneration, he shall be entitled to - - Furnished Residential Accommodation. In case no accommodation is provided by our Company, he will be entitled to a suitable house rent allowance. - Medical Expenses actually and properly incurred for him and his family. - Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company. - Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid. - Personal Accident Insurance Policy. - Provision for use of car and telephone for both official and personal use.

	g. Group Insurance Policy as per the rules of our company
Name	Mr. Azamkhan F. Lohani
Designation	Wholetime Director
Date of Re-appointment	October 1, 2007
Period	3 Years
Salary	Rs. 75,000 per month
Perquisites	Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a maximum as may be fixed by the Board of Directors from time to time on the basis of the performance of our Company. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. - The Salary and Perquisites as mentioned above shall be exclusive of - - Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961. - Gratuity as per the rules of our Company. - Leave as per the rules of our Company including encashment of leave at the end of the tenure. - Apart from above mentioned remuneration, he shall be entitled to - - Furnished Residential Accommodation. In case no accommodation is provided by our Company, he will be entitled to a suitable house rent allowance. - Medical Expenses actually and properly incurred for him and his family. - Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company. - Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid. - Personal Accident Insurance Policy. - Provision for use of car and telephone for both official and personal use. - Group Insurance Policy as per the rules of our company
Name	Mr. Abdulla K. Musla
Designation	Wholetime Director
Date of Re-appointment	January 1, 2008
Period	3 years.
Salary	Rs. 75,000 per month
Perquisites	Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a maximum as may be fixed by the Board of Directors from time to time on the basis of the performance of our Company. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. - The Salary and Perquisites as mentioned above shall be exclusive of - - Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961. - Gratuity as per the rules of our Company. - Leave as per the rules of our Company including encashment of leave at the end of the tenure. - Apart from above mentioned remuneration, he shall be entitled to -

	a. Furnished Residential Accommodation. In case no accommodation is provided by our Company, he will be entitled to a suitable house rent allowance. b. Medical Expenses actually and properly incurred for him and his family. c. Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company. d. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid. e. Personal Accident Insurance Policy. f. Provision for use of car and telephone for both official and personal use. g. Group Insurance Policy as per the rules of our company
Name	Mr. Rashid I. Tharadra
Designation	Wholetime Director
Date of Re-appointment	October 1, 2007
Period	3 years
Salary	Rs. 75,000 per month
Perquisites	2. Commission: Commission computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to a maximum as may be fixed by the Board of Directors from time to time on the basis of the performance of our Company. 3. Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. 4. The Salary and Perquisites as mentioned above shall be exclusive of - a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961. b. Gratuity as per the rules of our Company. c. Leave as per the rules of our Company including encashment of leave at the end of the tenure. 5. Apart from above mentioned remuneration, he shall be entitled to - a. Furnished Residential Accommodation. In case no accommodation is provided by our Company, he will be entitled to a suitable house rent allowance. b. Medical Expenses actually and properly incurred for him and his family. c. Entertainment expenses actually and properly incurred by him in the course of legitimate business of our Company. d. Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid. e. Personal Accident Insurance Policy. f. Provision for use of car and telephone for both official and personal use. g. Group Insurance Policy as per the rules of our company

Except as stated above in this section, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Shareholding of Directors in our Company

The following are details of the shareholding of our directors in our Company at the time of filing this Draft Red Herring Prospectus -

Sr. No.	Name of the Director	No. of Shares held	% of Pre Issue Share Capital
1	Mr. Shaukat S. Tharadra*	1,85,80,100	74.29
2	Mr. Azamkhan F. Lohani	6,30,000	2.52

3	Mr. Abdulla K. Musla	70,000	0.28
4	Mr. Rashid I. Tharadra	70,000	0.28
5	Mr. Bhimji V. Ratanghayra	5,000	0.02

* Mr. Shaukat S. Tharadra is a joint holder of 1,82,72,100 Equity Shares held by Mrs. Shahida S. Tharadra.

Interest of Directors

All our Directors, including independent Directors, 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 and reimbursement of expenses, if any, payable to them under our Articles of Association and to the extent of remuneration, if any, paid to them for services rendered as an officer or employee of our Company. Further, the Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of our Company. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All Directors may deemed to be interested to the contract, agreement/ arrangement entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are as declared in their respective declarations.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Except as stated in “Related Party Transactions” starting from page no. [●] of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business.

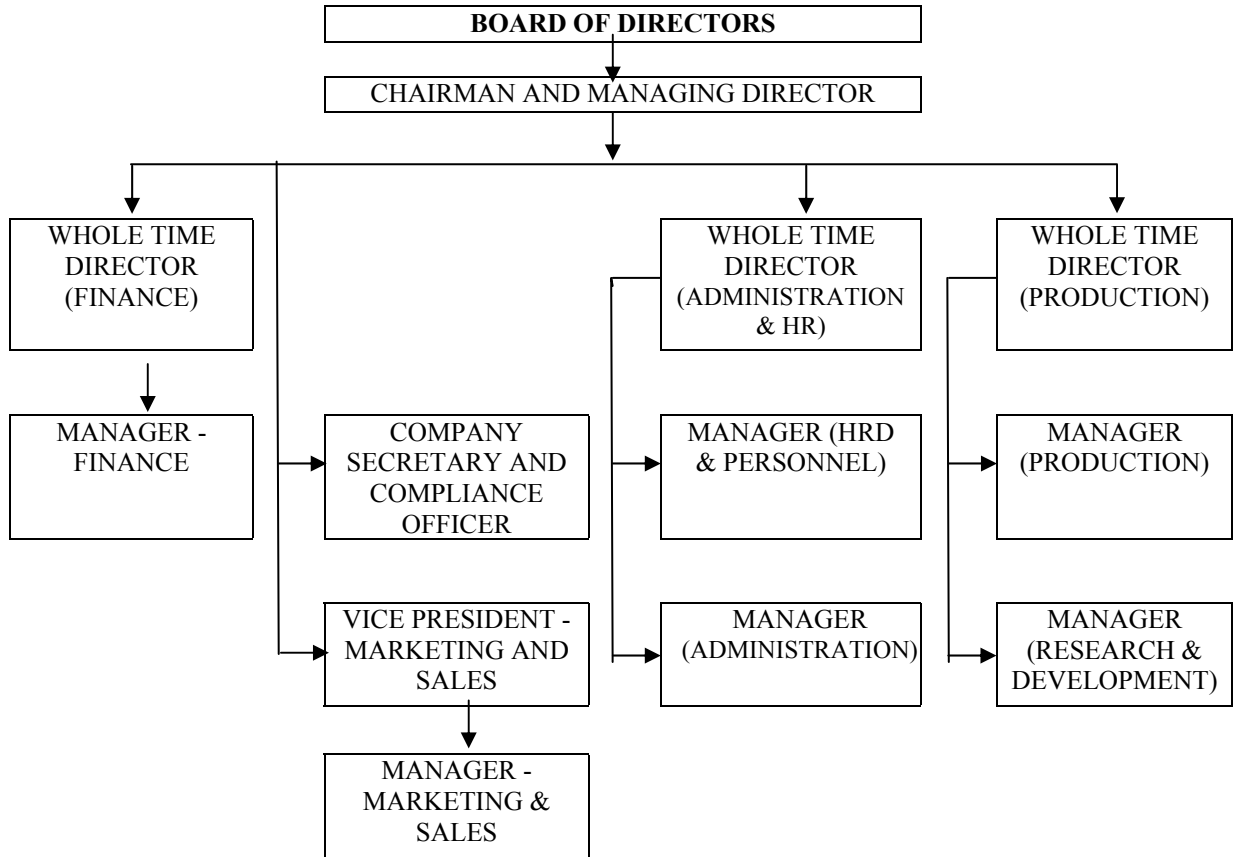
Changes in our Board of Directors during the last three years

The details of change in our Board of Directors in last three years are given below –

Sr. No.	Name	Date of Appointment	Date of Cessation	Reason
1	Mr. Bhimji V. Ratanghayra	February 29, 2008	-	Appointed as Independent Director
2	Mr. Mohamedi T. Singaporewala	February 29, 2008	-	Appointed as Independent Director
3	Mr. Narotambhai V. Patel	February 29, 2008	-	Appointed as Independent Director
4	Dr. R. H. Balasubramanya	February 29, 2008	-	Appointed as Independent Director

MANAGEMENT ORGANISATION STRUCTURE

Organisation Chart



Corporate Governance

Our Company follows practices of good Corporate Governance by maintaining transparency, disclosure and independent supervision. Corporate Governance is administered through our Board of Directors and various Committees of the Board. However, primary responsibility for upholding high standards of Corporate Governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance shareholders' value vests with our Board of Directors. The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We are in compliance with the corporate governance code in accordance to Clause 49 (as applicable) of the listing agreement to be entered into with the Stock Exchanges prior to the filing of the Red Herring Prospectus with the ROC and prior to the listing of our Equity Shares. We further undertake to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the corporate governance code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

Currently, our Board of Directors comprises of Chairman and Managing Director, who is the Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, where the Chairman of the Board is an Executive Director, half of the Board comprises of Independent Directors.

The composition of Board of Directors is as under:

Sr. No.	Name	Designation	Status
1	Mr. Shaukat S. Tharadra	Chairman and Managing Director	Executive Director
2	Mr. Azamkhan F. Lohani	Whole Time Director	Executive Director
3	Mr. Abdulla K. Musla	Whole Time Director	Executive Director
4	Mr. Rashid I. Tharadra	Whole Time Director	Executive Director
5	Mr. Bhimji V. Ratanghayra	Director	Independent Director
6	Mr. Mohamedi T. Singaporewala	Director	Independent Director
7	Mr. Narotambhai V. Patel	Director	Independent Director
8	Dr. R. H. Balasubramanya	Director	Independent Director

Committees of the Board

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- (a) Audit Committee;
- (b) Shareholders'/ Investors' Grievance Committee; and
- (c) Remuneration Committee

Audit Committee

Our Company had formed the Audit Committee vide Resolution of the Board of Director dated November 14, 2003 and re-constituted vide Resolution of the Board of Directors of our Company in their meeting held on February 28, 2008 with effect from February 29, 2008. The re-constituted Audit Committee comprises following members -

Name of the Director	Status
Mr. Bhimji V. Ratanghayra	Chairman (Independent Director)
Mr. Mohamedi T. Singaporewala	Independent Director
Mr. Narotambhai V. Patel	Independent Director

The Audit Committee is bestowed with following powers to:

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal or professional advice.
- secure attendance of outsiders with relevant experience, if considered necessary.

The role and scope of functions of the Audit Committee shall include the following -

a) Financial reporting: The Audit Committee would pay particular attention to:

- critical accounting policies & practices and any changes therein.
- decisions involving a significant element of judgement.
- accounting & disclosure of exceptional items.
- clarity of disclosures.
- significant audit adjustments.
- going concern adjustment.
- compliance with accounting standards.
- compliance with legal requirements & stock exchange(s) requirements.
- other areas as defined by the Board of Directors.

b) Internal Control & Risk Management: The Audit Committee would pay particular attention to:

- review procedures for detection of fraud, including procedures for reporting frauds by staff in confidence.
- review management & internal audit reports on the effectiveness of the systems for internal financial control, financial reporting & risk management.
- monitor the integrity of internal financial controls
- review disclosures on internal controls & risk management framework.
- assess the scope & effectiveness of risk monitoring & control systems.
- approve related party transactions. One member shall be authorised to pre-approve such transactions.

c) Internal Audit: The Audit Committee would pay particular attention to:

- appoint/ dismiss the Internal Auditor & fix their remuneration for services.
- assess the qualifications, expertise, resources, effectiveness and independence of the internal auditors.
- review the internal audit function & internal audit programme.
- ensure access of Internal Auditor to the Chairman of board of Directors/ Audit Committee.
- receive periodic internal audit reports.
- review management response(s) to the internal audit report.
- review effectiveness of internal audit in our Company's risk management system.
- review other services by the internal auditor to ensure internal auditor's independence/ objectivity.

d) External Audit: The Audit Committee would pay particular attention to:

- recommend appointment / removal of external auditors of our Company to the Board of Directors and fix remuneration.
- assess the qualifications, expertise, resources, effectiveness and independence of the external auditors annually.
- discuss the nature and scope of audit before commencement of audit.
- ensure completeness of coverage and optimum use of audit resources.
- review the audit issues which are resolved/ unresolved, errors encountered during audit, accounting/ audit adjustments & management explanations.
- review audit representation letters before approval by Board of Directors.
- review audit process at the end of audit by discussion with external auditors on audit plan, audit risks, internal controls & feedback from key personnel involved.
- review the management letter received from external auditors.
- review non-audit services by the auditor to ensure external auditors' independence/ objectivity.

- annually review the accounts, audit of subsidiary companies with their Auditors & Audit Committee, so far it concerns the Company.

e) Systems Audit: The Audit Committee would pay particular attention to:

- appoint/ dismiss Systems Auditors & fix their remuneration for services.
- assess the qualifications, expertise, resources, effectiveness and independence of the systems auditors.
- review the scope of systems audit programme.
- ensure access of Systems Auditors to the Chairman of Board of Directors/ Audit Committee.
- review management response to systems audit report.
- review effectiveness of systems within our Company.

Shareholders’/ Investors’ Grievance Committee

Our Company has formed the Shareholders’/ Investors’ Grievance Committee vide Resolution of the Board of Directors of our Company in their meeting held on April 25, 2008. The constituted Shareholders’/ Investors’ Grievance comprises following members -

Name of the Director	Status
Mr. Mohamedi T. Singaporewala	Chairman (Independent Director)
Mr. Abdulla K. Musla	Executive Director
Mr. Bhimji V. Ratanghayra	Independent Director

The terms of reference of the Shareholders’/ Investors’ Grievance Committee is as follows:

- Supervise investor relations and redressal of investors’ grievances in general, including non-receipt of dividends and interest.
- Such other matters as may be required from time to time under any statutory or other regulatory requirement.

Remuneration Committee

Our Company had formed the Remuneration Committee vide Resolution of the Board of Directors of our Company in their meeting held on April 25, 2008. The constituted Remuneration Committee comprises following members -

Name of the Director	Status
Mr. Bhimji V. Ratanghayra	Chairman (Independent Director)
Mr. Mohamedi T. Singaporewala	Independent Director
Mr. Narotambhai V. Patel	Independent Director

The Remuneration Committee is responsible for determining our Company’s remuneration policy and appointment of Executive Directors and Senior Employees, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee is responsible for grant of Employees Stock Option, if any, and to administer and superintend the same. The Remuneration Committee has powers of recommending remuneration package to all Directors as per the requirements of the Clause 49 of the Listing Agreement for Corporate Governance.

Other Committees

IPO Committee

Our Company had formed the IPO Committee vide Resolution of the Board of Director dated April 25, 2008. The IPO Committee comprises following members -

Name of the Director	Status
Mr. Shaukat S. Tharadra	Chairman (Chairman and Managing Director)
Mr. Abdulla K. Musla	Executive Director
Mr. Mohamedi T. Singaporewala	Independent Director

The following are the terms of reference of IPO Committee -

The powers conferred on the IPO Committee include the powers to decide on the timing and all the terms and conditions of the Issue of Equity Shares, number of Equity Shares, price including premium, amount to be paid on application; alter, vary, add or delete any of the terms and conditions of the Issue and to accept such amendments, modifications, variations and alterations as SEBI, the Stock Exchanges and/ or any other concerned authorities may stipulate in that behalf; appoint and enter into arrangements with the Lead Manager(s), Underwriters, Legal Advisors to the Issue, Registrar to the Issue, Advertising agency and any other agency or persons as required from time to time; pay commission, fees, remuneration, expenses and/ or any other charges to the above agencies/ persons and to give them such directions or instructions as it may deem fit from time to time; make applications to one or more stock exchanges in India for listing of the Equity Shares and to execute and deliver or arrange the delivery of Listing Agreement(s) or equivalent documentation to the concerned stock exchanges; Issue offer document(s) and execute all such deeds, documents and writings as may be necessary in connection with the Issue; do such other acts, deeds, matters and thing as may be required for or in connection with the Issue.

KEY MANAGERIAL PERSONNEL

The brief profile of our Key Managerial Personnel other than our Directors and Promoter are given below-

Mr. Deepak Sharma, 39 years, is the Vice President – Marketing & Sales of our Company. He holds a Bachelor's degree in Science from Mohanlal Sukhadia University, Udaipur, Rajasthan. He has a total experience of about 12 years in the field of Marketing & Sales. He joined M/s. Raj Oil Mills (Partnership firm) in September 1996 as Assistant Manager – Sales Administration and resigned on June 2002. He rejoined our Company in September 2002 as Assistant Manager – Sales Administration. Looking at his hard work and performance year after year, presently he is designated as Vice President – Marketing and Sales and leading a team of about 190 people. He is currently incharge for Planning of Sales Strategy, Preparation of Revenue Budgets, Formulation of New Marketing Schemes, Planning of Price Strategies and Market Development.

Mr. Alok Desai, 26 years, is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor's Degree in Commerce from University of Mumbai and is a qualified Company Secretary from the Institute of Company Secretaries of India. He has an experience of about 1 year in Corporate Law related matters. He was appointed as Company Secretary and Compliance Officer of our Company on January 5, 2008 and is responsible for the compliances of all Legal, Secretarial and Corporate related matters of our Company. Prior to joining us he was working with Makarand M. Joshi & Co.

Mr. S. P. Chakkerwar, 48 years, is the Production Manager of our Company. He holds a Bachelor's degree in Science in Technology (Oils) from University of Mumbai. He has a total experience of about 12 years in the production of Edible and Non – Edible Oil. He joined our Company as Production Manager in July 2007 and is incharge of our Manor Factory and looking after Production Analysis, Inventory Management, Product Feasibility, Quality Control and Labour Management of our Manor Factory. Prior to joining us he was working as Production Incharge with Logicon Engineers Private Ltd.

Mr. Amit Gulecha, 29 Years, is the Manager - Finance. He holds a Bachelor's Degree in Commerce from Jai Narain Vyas University, Jodhpur and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has also completed intermediate examination of Company Secretary from the Institute of Company Secretaries of India. He has a total experience of about 6 years in the field of Accounts, Finance and Taxation. He joined our Company in October 2004 as Manager – Company Affairs and is presently designated as Manager - Finance and is incharge of Accounts and Finance department of our Company. Prior to joining us he was working with M/s. Lukad & Jain, Chartered Accountant.

Mr. Girish Thakur, 41 years, is the Manager - Administration of our Company. He holds a Bachelor's Degree in Science from Kumaun University, Nainital and a Diploma in Business Management from Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai. He has a total experience of about 19 years in the field of Administration Management. He joined our Company in July 2002 and is looking after all administration related matters of our Company. Prior to joining us he was working as Manager – Administration & Personnel with Inter Trim Linings Industries Ltd.

Mr. Mahendra Kore, 46 years, is the Manager – Human Resource Department (HRD) & Personnel of our Company. He holds a Bachelor's Degree in Commerce from the University of Mumbai and a Diploma in Labour Laws and Labour Welfare from the University of Mumbai. He has a total experience of about 21 years in the field of Human Resource and Personnel Management. He joined M/s. Raj Oil Mills (Partnership firm) in June 1993 as an Executive – Personnel. He joined us as an Executive – Personnel in September 2002. He is presently designated as Manager - HRD & Personnel and looking after Recruitment, Manpower Planning, Employee Grievances, Payroll Management and other Human Resource related matters of our Company. Prior to joining us he was working as Manager Personnel and Administration with Sharp Industries Ltd.

Dr. Swati Jain, 32 years, is the Manager - Research & Development of our Company. She holds a Master's degree in Science (Organic Chemistry) and a Doctor of Philosophy (PhD) degree from Doctor Harisingh Gour University, Sagar, Madhya Pradesh for her thesis on "Aqueous solubility enhancement and formulation development of some poorly water soluble drugs". She has a total experience of about 8 years in Research and Development. She has co-authored 6 Research Papers in journal such as the Eastern Pharmacist and the Indian Journal of Chemical Society. She joined our Company in September 2007 and is incharge of our Quality Control and Research & Development of our Company. Prior to joining us she was associated as a Senior Research Fellow, Council of Scientific and Industrial Research (CSIR), New Delhi in Department of Chemistry, Dr. H. S. Gour University, Sagar, Madhya Pradesh and was involved in taking B.Sc, M.Sc Chemistry classes.

Mr. Sapan Krishna, 26 years, is the Manager – Marketing & Sales of our Company. He holds a Bachelor's Degree in Commerce (Honours) from BRA Bihar University, Muzaffarpur, Bihar and Master of Business Administration (MBA) degree in Media Management from Asian School of Media Studies, Noida from Janardan Rai Nagar (JRN) University, Rajasthan. He also holds Post Graduate Diploma in Advertising & Marketing from Institute for Media Studies and Information Technology, Young Men's Christian Association (YMCA), New Delhi and also Honours Diploma in Web-Centric Computing from NIIT. He has a total experience of about 3 years in the field of Media and Advertisement. He joined our Company in January 2008 as Manager – Marketing & Sales and presently looking after Brand Promotion, Competition Mapping, Media Buying and Advertisement Strategy of our Company. Prior to joining us he was working as Accounts Executive with Promodome Communication Pvt. Ltd.

Please refer to the section titled "Our Management" starting from page no. [●] of this DRHP for brief biographies of our Directors.

We confirm that all the Key Managerial Employees mentioned in this section are Permanent Employees of our Company.

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel hold any Equity Shares of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

There is no bonus or profit sharing plan for our Key Managerial Personnel.

Changes in the Key Management Personnel

Changes in the Key Management Personnel during the past three years are set forth below -

S. No.	Name	Current Designation	Appointment/Cessation
1.	Mr. S. P. Chakkerwar	Production Manager	Appointed from July 1, 2007
2.	Dr. Swati Jain	Manager - Research & Development	Appointed from September 1, 2007
3.	Mr. Alok Desai	Company Secretary	Appointed from January 5, 2008
4.	Mr. Sapan Krishna	Manager - Marketing & Sales	Appointed from January 1, 2008

Employees

Please refer to the section titled "Business Overview" starting from page no. [●] of this Draft Red Herring Prospectus for the details of our employees.

Employees Stock Option Scheme/Employees Stock Purchase Scheme

As on date, our Directors and employees have not been granted any options or issued any Equity Shares under any employee stock option scheme or employees stock purchase scheme.

Payment or Benefit to Officers of our Company

Our Company does not have a performance linked bonus or a profit sharing scheme for the employees. 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 as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business. Except statutory benefits like Gratuity or Superannuation, no officer of our Company is entitled to any benefit upon termination of his/ her employment in our Company.

Interest of Key Managerial Personnel

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 and reimbursement of expenses incurred by them during the ordinary course of business. Further, we have not entered into any contract, agreement or arrangement during the preceding 2 years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements.

OUR PROMOTER

Our Promoter is Mr. Shaukat S. Tharadra.

The details of our Promoter is as under -

	Mr. Shaukat S. Tharadra, 63 years, Chairman and Managing Director Qualification: Bachelor of Science (B. Sc) Background: Mr. Shaukat S. Tharadra is a Resident Indian. He started his career in year 1966 as an Oil Trader and Manufacturer. He carries vast industrial experience of more than four decades in the edible oil industry. Presently, he looks after overall businesses of our Company and responsible for Strategic Planning and Development of our various businesses & marketing. Voter ID No.: MT/05/025/096932 Driving License No.: 190935 Passport No.: F4757788
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For further details of our Promoter, please refer to the section titled “Our Management” starting from page no. [●] of this Draft Red Herring Prospectus.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of our Promoter have been submitted to the Stock Exchange(s) at the time of filing this Draft Red Herring Prospectus with them.

Our above mentioned Promoter has not been identified as wilful defaulter by the Reserve Bank of India or any other Government authority. Further, neither there is any violation of securities laws committed by our Promoter in the past nor any such proceedings are pending against our Promoter.

Common Pursuits

For more details, please refer to the section titled “Our Management” starting from page no. [●] of this Draft Red Herring Prospectus.

Interest of Promoter

Our Promoter is interested to the extent of his shareholding in our Company. Further, our Promoter Director may be deemed to be interested to the extent of fees, if any payable to him for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of remuneration, reimbursement of expenses payable to him.

Further, our Promoter is also partner of certain Promoter Group entities and he may be deemed to be interested to the extent of payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, please refer to the section titled “Related Party Transactions” starting from page no. [●] of this Draft Red Herring Prospectus.

We have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoter is 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.

Payment of benefit to Promoter

Except as stated in the chapter titled “Related Party Transactions” beginning on page no. [●] of this Draft Red Herring Prospectus, there has been no payment or benefits paid or given to our Promoter, in the preceding two years.

Related Party Transactions

For the detail of such transaction, please refer to the section titled 'Financial Statements' beginning from page no. [●] of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

Our currency of presentation in this Draft Red Herring Prospectus is Indian Rupee (Rs.) in lacs only unless otherwise mentioned.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word “lac” or “lacs” or “lakh” or “lakhs”, means “One hundred thousand”. All references to “US\$”, “USD” or “US Dollars” are to United States Dollars, the official currency of the United States of America.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, cash flows, capital expenditure, capital requirements and overall financial condition. Since our Company is at a growth stage, the profits earned by our Company till last year were ploughed back in our Company to meet the fund requirements. Hence no dividend has been declared by our Company till date. Our Company has no stated dividend policy.

SECTION V – FINANCIAL STATEMENTS

AUDITORS' REPORT

To,
The Board of Directors,
Raj Oil Mills Limited,
224-230, Bellasis Road,
Mumbai – 400 008

Dear Sirs,

Sub: Proposed Initial Public Issue of “**RAJ OIL MILLS LIMITED**”.

A) Financial Information as per Audited Financial Statement

- 1) We have examined the annexed restated financial information of Raj Oil Mills Ltd., Mumbai for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares of the Company (referred to as “**the issue**”). The restated financial information is based on the audited accounts adopted by the Board of Directors and audited for the five financial years ended December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003. These restated financial information have been extracted from the financial statements for the year ended December 31, 2005, December 31, 2004 and December 31, 2003 audited by M/s S. H. Bathiya & Associates, Chartered Accountants, Mumbai being the auditors of the company for those years and for the financial years ended December 31, 2007 and December 31, 2006, have been audited by us. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these accounts based on the audit.
- 2) In accordance with the requirements of:
 - a) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
 - b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (DIP Guidelines) and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date;
 - c) The terms of reference with the Company dated 9th April 2008 requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated assets and liabilities of the Company as at December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 are as set up in “*Annexure I*” to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report. We report that the restated profits and loss statements of the company for the financial years ended December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 are as set out in “*Annexure II*” to this report. These profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report.

We report that the restated cash flows of the Company for the financial years ended December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 are as set out in “*Annexure III*” to this report.

These cash flows have been arrived at after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report.

- 3) The Company has not paid any dividend on equity Shares in any of the Years / period mentioned above.

B) Other Financial Information

We have examined the following financial information relating to the Company as approved by the Board of Directors for the purpose of inclusion in the offer Document:

1. Statement of Debtors (Annexure V),
2. Details of Loans and Advances (Annexure VI),
3. Statement of Secured Loans (Annexure VII),
4. Statement of Unsecured Loans (Annexure VIII),
5. Statement of Operating Income (Annexure IX),
6. Statement of Other Income (Annexure X),
7. Details of Contingent Liabilities (Annexure XI),
8. Financial Ratios (Annexure XII),
9. Capitalisation Statement (Annexure XIII),
10. Statement of Tax Shelters (Annexure XIV),
11. Statement of Investments (Annexure XV), and
12. Transaction with the Related Parties (Annexure XVI).

C) In our opinion the above financial information of the Company as stated in Para A & B above read with significant accounting policies and adjusted notes appearing in “*Annexure IV*” to this report, after making adjustments / restatements and re-grouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

This report should not in any way be constructed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in the offer document in connection with the Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For M. K. Gohel & Associates
Chartered Accountants

Sd/-
Mukesh K. Gohel
Proprietor
Membership No.: 038823

Place: Mumbai
Date: May 24, 2008

Annexure - I

STANDALONE SUMMARY OF ASSETS AND LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	As At 31st December				
	2007	2006	2005	2004	2003
A. Fixed Assets					
Gross Fixed Assets	2,100.04	1,520.29	1,334.85	712.21	680.69
Less : Accumulated Depreciation	253.02	225.45	157.47	106.95	61.96
Net Fixed Assets	1,847.02	1,294.84	1,177.38	605.26	618.73
Less : Revaluation Reserves	-	-	-	-	-
Net Fixed Assets After Revaluation Reserves	1,847.02	1,294.84	1,177.38	605.26	618.73
Capital Work in Progress	228.56	-	-	293.88	6.40
Total (A)	2,075.58	1,294.84	1,177.38	899.14	625.13
B. Investments	2.50	17.50	17.50	2.50	1.25
C. Current Assets, Loans & Advances	-	-	-	-	-
Sundry Debtors	5,345.39	2,276.80	960.61	1,045.43	1,100.21
Cash and Bank Balances	243.78	155.87	91.65	77.87	76.07
Loans and Advances	913.95	302.59	558.77	868.98	819.54
Inventories	777.59	503.95	168.86	216.58	293.48
Total (C)	7,280.70	3,239.22	1,779.89	2,208.85	2,289.30
D. Liabilities & Provisions					
Secured loans	1,150.24	774.17	805.78	1,211.97	1,264.19
Unsecured loans	960.22	13.85	-	-	-
Deferred Tax Liability (Net)	168.68	121.73	119.43	144.51	108.96
Current Liabilities	1,762.26	1,476.11	946.36	1,057.46	1,098.43
Provisions	978.50	370.25	35.50	9.00	-
Share Application Money pending allotment	-	11.00	13.85	114.95	8.10
Total (D)	5,019.90	2,767.11	1,920.92	2,537.89	2,479.68
E . Net Worth (A + B + C - D)	4,338.89	1,784.46	1,053.86	572.60	436.00
Represented by					
Equity Share Capital	1,849.02	852.00	852.00	602.00	602.00
Reserve & Surplus	2,495.80	977.57	305.16	149.85	78.58
Revaluation Reserves	-	-	-	-	-
	4,344.82	1,829.57	1,157.16	751.85	680.58
Less : - Miscellaneous Expenditure not w/off	5.93	45.12	103.31	179.25	244.58
F . Net Worth	4,338.89	1,784.46	1,053.86	572.60	436.00

Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure – IV to the Report.

Annexure – II

STANDALONE SUMMARY OF PROFIT AND LOSS AS RESTATED

(Rs. In Lacs)

Particulars	For the year ended 31st December				
	2007	2006	2005	2004	2003
Income					
Sales & Operating Incomes					
- Manufactured Goods	21,738.54	11,025.87	8,001.43	6,842.06	6,639.65
- Traded Goods	2,170.98	973.12	346.04	1,117.21	6,709.06
Export Sales	-	-	-	218.01	13.36
Other Income	8.39	6.09	8.20	16.46	13.32
Increase/(Decrease) in Inventory	74.20	16.28	(29.56)	(53.25)	49.39
Total Income	23,992.11	12,021.36	8,326.10	8,140.50	13,424.79
Expenditure					
Raw Material Consumed	17,459.87	8,693.75	6,670.46	5,953.58	5,891.97
Cost of Traded Goods	1,925.30	877.82	314.98	1,059.57	6,302.63
Manufacturing Expenses	152.99	134.70	115.68	73.12	105.75
Payment & Provision for Employees	460.65	373.09	242.28	270.79	247.25
Administrative and Other Expenses	375.11	247.32	255.43	220.00	246.62
Selling and Distribution Expenses	405.35	407.89	306.53	184.20	272.32
Finance Cost	292.77	168.56	193.61	217.32	210.32
Depreciation & Amortisation	79.42	73.28	61.41	46.10	43.51
Total Expenditure	21,151.47	10,976.41	8,160.37	8,024.68	13,320.37
Profit for the Period	2,840.65	1,044.96	165.73	115.82	104.42
Add / (Less) : Prior Period Items	-	-	-	-	-
Profit Before Tax & Extra Ordinary Items	2,840.65	1,044.96	165.73	115.82	104.42
Add / (Less) : Provision for Tax					
Current Tax	(958.00)	(355.00)	(25.00)	(9.00)	-
Fringe Benefit Tax	(20.00)	(15.00)	(0.50)	-	-
Wealth Tax	(0.50)	(0.25)	(10.00)	-	-
Earlier Years	-	-	-	-	-
Deferred Tax Liability / (Assets)	(46.95)	(2.30)	25.08	(35.55)	(17.91)
Profit After Tax but before Extra Ordinary Items	1,815.20	672.41	155.31	71.27	86.51
Extra Ordinary Items (Net of Taxes)	-	-	-	-	-
Profit After Tax & Extra Ordinary Items	1,815.20	672.41	155.31	71.27	86.51
Balance brought forward from previous year	948.57	276.17	120.86	49.59	(34.92)
Net Profit Available for Appropriation					
Appropriation	-	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-

Transfer to General Reserves	-	-	-	-	-
Capatilized during the year for Bonus Shares	(823.00)	-	-	-	(2.00)
Balance carried forward as restated	1,940.77	948.57	276.17	120.86	49.59

Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure – IV to the Report.

Annexure – III

STANDALONE STATEMENT OF CASH FLOW AS RESTATED

(Rs. In Lacs)

		For the Year Ended 31st December				
		2007	2006	2005	2004	2003
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit Before Tax and Extra Ordinary items	2,840.65	1,044.96	165.73	115.82	104.42
	Adjustment For					
	Add : Depreciation	79.42	73.28	61.41	46.10	43.51
	Loss on Sale of Assets	60.34	5.40	21.86	2.48	5.73
	Preliminary Expenses written off	0.17	0.69	1.21	0.17	0.69
	Pre-operative Expenses written off	0.02	0.07	1.35	0.64	0.64
	Deferred Revenue Expenses written off	38.99	57.43	73.38	64.52	58.59
	Interest (net)	267.91	162.61	190.09	208.08	183.91
	Operating Profit Before Working Capital Changes	3,287.50	1,344.45	515.02	437.82	397.49
	Adjustment for working capital changes					
	(Increase) / Decrease in Trade & Other Receivables	(3,438.83)	(1,316.18)	84.82	54.78	(703.54)
	(Increase) / Decrease in Advance to suppliers/creditors	-	0.43	158.38	(58.82)	32.48
	(Increase) / Decrease in Other Current Assets	155.21	247.23	190.28	47.81	(28.99)
	(Increase) / Decrease in Miscellaneous Expenditure	-	-	-	-	(134.64)
	Increase / (Decrease) in Trade Payables	286.15	421.19	(111.10)	(40.97)	388.74
	(Increase) / Decrease in Loans and Advances	(766.56)	22.60	(47.27)	(38.42)	66.44
	(Increase) / Decrease in Inventories	(273.63)	(335.09)	47.71	76.90	30.22
	Net Cash used / generated for / from Operations	(750.18)	384.60	837.84	479.10	48.21
B	CASH FLOW FROM INVESTING ACTIVITIES					
	Purchase of Fixed Assets / Capital Work In Progress	(975.69)	(214.24)	(387.53)	(323.35)	(127.81)
	Investments made	15.00	-	(15.00)	(1.25)	(0.50)
	Sale/Discarding of Fixed Assets	55.19	4.01	25.84	0.75	8.68
	Net Cash used in Investing Activities	(905.50)	(210.23)	(376.69)	(323.85)	(119.62)
C	CASH FLOW FROM FINANCING ACTIVITIES					
	Proceeds form Long Term Borrowings	341.47	(433.13)	(268.18)	84.79	(5.77)
	Proceeds form Short Term Borrowings	980.97	488.44	(138.02)	(137.02)	102.04
	Interest Paid	(267.91)	(162.61)	(190.09)	(208.08)	(183.91)
	Net Cash generated from Financing Activities	1,054.53	(107.29)	(596.28)	(260.31)	(87.64)

D	OTHERS					
	Proceed from issue of Equity Shares	145.02		250.00		40.00
	Share Premium received on issue of Equity Shares	555.03	-	-	-	60.00
	Share Application money received pending allotment	(11.00)	(2.85)	(101.10)	106.85	3.05
	Net Cash generated from other sources	689.05	(2.85)	148.90	106.85	103.05
	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	87.90	64.23	13.77	1.80	(56.00)
	Cash & Cash Equivalents - Opening Balance	155.87	91.65	77.87	76.07	132.07
	Cash & Cash Equivalents - Closing Balance	243.78	155.87	91.65	77.87	76.07
	Summary	2007	2006	2005	2004	2003
A)	CASH FLOW FROM OPERATING ACTIVITIES	(750.18)	384.60	837.84	479.10	48.21
B)	CASH FLOW FROM INVESTING ACTIVITIES	(905.50)	(210.23)	(376.69)	(323.85)	(119.62)
C)	CASH FLOW FROM FINANCING ACTIVITIES	1,054.53	(107.29)	(596.28)	(260.31)	(87.64)
D)	OTHERS	689.05	(2.85)	148.90	106.85	103.05
	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	87.90	64.23	13.78	1.79	(56.00)

Annexure - IV

NOTES ON ADJUSTMENTS AND SIGNIFICANT ACCOUNTING POLICIES FOR RESTATED FINANCIAL STATEMENTS

1 NOTES ON ADJUSTMENTS

a) *Short / Excess Provision for Income Tax*

The profit and loss account for the year ended December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 include amounts paid / provided for or refunded in respect of shortfall / excess income-tax arising out of assessments, appeals etc. For the purpose of this statement, the said Income - Tax has been appropriately adjusted in the respective years.

2 Significant Accounting Policies

a) Basis of Preparation of financial statements

(I) The accompanying financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP's) and the provisions of the Companies Act, 1956 as adopted consistently by the company.

(II) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles followed by the company

b) Fixed Assets & Depreciation / Amortisation

(I) Fixed assets are stated at historical cost including any attributable cost including taxes & other duties, freight, installation & other direct or allocable expenses and related borrowing cost for bringing the respective asset to its working condition for its intended use, less accumulated depreciation.

(II) Major renovation/construction expenditure of capital nature on building taken on Lease/Leave & License basis is capitalized and is stated at cost less accumulated depreciation. The same will be however, written off if the Company vacates the said building.

(iii) Depreciation is provided as per the straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 on pro-rata basis on all assets including capital expenditure on land & building taken on lease/Leave & License basis but excluding for Computer Software. In case of Computer Software, depreciation is provided as per straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 in respect of Computers.

(iv) Pursuant to accounting standard 28 "Impairment of Assets" issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

c) Investments

(I) Long term Investments are stated at cost of acquisition. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

(II) Dividends are accounted for as and when received.

d) Foreign Currency Transactions:

- (I) All foreign Currency Transactions were initially recognized at the exchange rates on the date of transactions.
 - (II) Exchange difference arising on the settlement of monetary items was recognized as income/ expenses.
 - (iii) Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate /realistic rate.
- (e) **Inventories**
- (I) Inventories are valued at cost or net realizable values whichever is lower, except by-products, which is valued at estimated realizable value.
 - (II) In determining the cost of raw material stores spares and other materials, cost is ascertained on FIFO method. Work in progress and finished products includes material cost, labour and factory overheads and excise duty if applicable
- (f) **Employee Retirement Benefits**
- (I) The Company's contribution in respect of Provident Fund is charged to Profit & Loss Account every year.
 - (II) Provision of gratuity as on the balance sheet date is accounted on Actuarial basis by an independent actuary and Company's contribution to the Group Gratuity Scheme of Life Insurance Corporation of India are charged against the revenue every year.
 - (iii) Liability for leave outstanding as on the balance sheet date and other benefits are accounted on accrual basis.
- (g) **Liquidated Damages**
- Liquidated damages / Penalties, if any are provided whenever there is a claim from party and when the same is accepted by the company.
- (h) **Preliminary Expenses**
- Preliminary expenses are written off over a period of five years.
- (i) **Pre-operative Expenditure**
- Pre-operative expenditure incurred prior to commencement of business operations of any division is written off over a period of five years.
- (j) **Deferred Revenue Expenditure**
- (I) Advertisement & Product launching Expenditure where benefit is expected to be derived in the future is treated as deferred revenue expenditure up-to accounting year 31st December 2003, and written-off to the profit and loss account over a period of Five years.
 - (II) Finance, Legal and Documentation charges incurred in respect of secured loans is treated as deferred revenue expenditure up-to accounting year 31st December 2003, and written off to the profit and loss account over the period of loan.
- (k) **Accounting for taxes on Income**
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The same is accounted for, using the tax rates as on balance sheet date. Deferred Tax assets are recognized only when there is virtual certainty of their realization.
- (l) **Insurance Claim**
- Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and refund whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.

- (m) **Earning per Share**
- (I) Basic Earning per Equity Share is calculated by using weighted average number of Equity Shares outstanding during the period.
 - (II) Diluted Earning per share comprises the weighted average number of Equity Shares considered for deriving Basic Earnings per Equity Share and weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares at last issue price of each share. Dilutive potential shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.
 - (iii) In case of any Bonus issue or any other corporate action during the year affecting number of outstanding shares, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.
- (n) **Revenue recognition**
- (I) In case of direct sales, revenue on sales of products is recognized when the products are dispatched to customers. Sales are stated inclusive of sales tax and excise duties but net of returns, primary trade schemes and trade discounts.
 - (II) In case of Consignment Sales and Sales by Clearing & Forwarding Agents, revenue is recognized on actual sales of goods by Consignee/Agents at his location and on receipt of statement of account from the agent.
 - (iii) All expenses are accounted for on accrual basis unless otherwise specified.
- (o) **Provision, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.
- (p) **Borrowing Costs**
- (I) Borrowing costs that are directly attributable to the long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred.
 - (II) Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the assets for its intended use or sale are in progress. Borrowing costs are suspended from capitalization on the project when the development work on the project is interrupted for extended periods.
- (q) **Related Party Transaction**
- Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.
- (r) **Use Of Estimates**
- In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, actual results could differ from those estimates.

Notes to Accounts

1 Auditors Qualification

The company does not have an internal audit system commensurate with the nature of its business. As per managements views it does not any material impact on the profitability of the company.

2 Material Regroupings

Following regroupings has been made to keep in line previous year's figures with latest audited financial statements :

- a** Upto financial year ended 31st December 2006, the company has been showing "*Gross Sales*" only in the profit and loss account. From the financial year ended 31st December 2007 the company changed its presentation by reclassifying "*Gross Sales*" under two catagories namely "*Trading*" and "*Manufacturing*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.
- b** Upto financial year ended 31st December 2005, the company has been showing "*Gross Sales*" exclusive of excise duty and sales tax only in the Profit and Loss Account. From the financial year ended 31st December 2006 the company changed its presentation by deducting Sales Tax (VAT) and Bill Scheme, Discounts, Primary Scheme, Secondary Scheme, Rate Diffrence from "*Gross Sales*" to represent the Net Realisable Sales Turnover. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly. (Since 1st January 2005 the company does not manufacture goods which are subject to levy of Excise Duty.
- c** Upto financial year ended 31st December 2006, the company has been showing "*Material Cost* " inclusive of Trading Goods in the Profit and Loss Account. From the financial year ended 31st December 2007 the company changed the classification by seprately showing "*Trading Goods*" and "*Manufactured Goods*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.
- d** Upto financial year ended 31st December 2005, the company has been including Contract Loading, Delivery Exp, Freight Outward, Van Allowance, Bill Scheme, Discount, Rate Difference, Primary Scheme, Secondary Scheme under the head "*Sales Promotion*" under "*Selling and Distribution Expenses*" in the Profit and Loss Account. From the financial year ended 31st December 2006 the company changed its presentation by regrouping Bill Scheme, Discount, Rate Difference, Primary Scheme, Secondary Scheme from "*Sales Promotion*" and deducting the same from "*Gross Sales*". Further Contract Loading, Delivery Exp, Freight Outward, Van Allowance were regrouped from "*Sales Promotion*" and shown under "*Freight forwarding and other expenses*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- e** Upto financial year ended 31st December 2006, the company has been showing "*Contract Manufacturing Charges Including Excise*" under the head "*Manufacturing Expenses*" in the Profit and Loss Accounts. From the financial year ended 31st December 2007 the company reclassifying it by showing "*Contract Manufacturing Charges Including Excise*" as part of "*Manufacturing Wages and Salary*" under the same head. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.

- f Upto financial year ended 31st December 2006, the company has been showing "*Interest Cost*" as a single component. From the financial year ended 31st December 2007 the company reclassified it by showing separately interest cost under various heads thereby showing meaningful understanding of interest cost components. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- g Upto the year ended 31st December 2006, the Capital Advances were grouped under "Capital Work in progress" under the head "*Fixed Assets*". From the financial year ended 31st December 2007 these have been regrouped under the head "*Advances recoverable in cash or in kind*" under the head "*Loans & Advances*". The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- h Upto the year ended 31st December 2006, the Creditors for Capital Goods were grouped under "*Sundry Creditors*" From the financial year ended 31st December 2007 these have been reclassified under the head "*Sundry Creditors for Capital Goods*" The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- i Upto the year ended 31st December 2006, "*Letter of Credit and Bills Negotiated by Banks - Outstanding Part*" were grouped under "*Term Loan*" From the financial year ended 31st December 2007 these have been regrouped under the head "*Sundry Creditors for Goods*" The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- j Upto the year ended 31st December 2006, "*Advance Taxes & Tax Deducted at Source*" were shown separately. From the financial year ended 31st December 2007 these have been regrouped under the head "*Loans and Advances*". The regrouping in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.

Notes to Accounts for the Year ended 31st December 2007

1 Secured Loans

- a Term loans, Cash Credit & Letter of Credit facility from a bank is secured by hypothecation of all existing fixed assets of the Company including vehicles, entire stocks and book debts, margin money as may be held by the bank at the time of issue of such Letter of Credit and equitable mortgage of land and building at Village Ten Tal. Palghar, Manor and personal guarantees of following persons a) Shaukat S. Tharadra b) Azamkhan F. Lohani c) Rashid I. Tharadra d) Abdulla K. Musla & e) A. R. Sulia.
- b Hire Purchase Vehicle loan / Loan against property from the banks / finance companies are secured by the charge on the respective vehicle & property and personal security on flat of a director.

2 In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts at which they are stated in the Balance Sheet, if realized in ordinary course of business.

3 The balance of sundry debtors, sundry creditors and other parties are subject to confirmation from respective parties.

4 Contingent Liabilities

- a As per the decision of the management, no leave accumulation by employees is allowed hence no Provision has been made for leave outstanding as on the balance sheet date.
- b The company has given corporate guarantee to the extent of Rs. 750 Lakhs (Rs. 750 Lakhs) in respect of loan taken by farmers / VLC from Axis Bank Ltd (erstwhile UTI Bank Ltd.) vide original Bank's sanction letter no. UTIB / 10705 / 2005-06 Dated 7th December 2005. The company will be liable to repay the said loan in case of failure by the farmer to repay the loan to the extent of guarantee given by the Company. The Said Guarantee was revoked on 29th January 2008 and was confirmed by the Axis Bank Ltd.
- c Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 477.48 Lakhs (Nil).
- d During the year the Income Tax Department conducted a survey on 12th December 2007. The company has accepted the capital expenditure of Rs. 245.00 Lacs, being wrongly shown as book-debts in the books of accounts and accepted to rectify the same in the current year. The department is of the opinion that the same is unaccounted expenditure and added to the income of current year. The management is of the opinion that said addition is not likely to effect the income of the current year.

5 Balance With Non-Schedule Bank held in Current Accounts

(Rs. In Lacs)

Sr.	Name of Bank	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	The Mogaveera Co-op	1.34	0.20	2.65	0.22	0.09
2	Kalyan Janata Sahakari	0.56	0.56	-	-	-
3	Thane Dist. Co-op Bank Ltd	2.85	3.66	-	-	-

6 Value of Export Sales

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Export Sales	-	-	-	218.01	13.36

7 Earning in Foreign Currency

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Export at FOB Value	-	-	-	209.32	12.91

8 Expenditure in Foreign Currency

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Travelling Expenses	-	-	0.88	1.28	9.04

9 Estimated Amount of contract remaining to be executed on capital account and not provided

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Unexecuted Contracts	477.48	-	-	172.62	15.30

10 Auditors Remuneration

(Rs. In
Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Audit Fees	3.93	3.38	3.85	3.30	3.24
2	Tax Audit Fees	0.56	0.57	0.55	0.54	0.54
3	Certification work	-	-	0.05	0.20	0.02

11 Payment to Directors(Rs. In
Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Directors Salary & Contribution to Provident Fund					
a	Managing Directors'	21.00	6.58	6.00	6.00	6.00
b	Whole Time Directors'	11.25	5.20	2.40	2.40	1.40
2	Rent	18.80	-	-	-	-

12 Sundry debtors include Rs. Nil (P.Y. Nil) due from a firm in which some of the relative of directors of the company are partners.(Rs. In
Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Amount Due	-	-	60.14	81.11	(1.14)

13 The major component of **Deferred Tax Liability (Net)** are given below:(Rs. In
Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Deferred Tax Liability on account of					
	a) Depreciation	166.66	106.61	84.98	80.23	57.36
	b) Deferred Revenue Expenses	2.02	15.12	34.45	64.28	51.60

14 Earning per share:- Annexure XII.**15 Related Party transactions :** - Annexure XVI.**16 Segment Reporting**

As the company's business activity fall within a single primary business segment "**Edible Oil & Cakes**" the disclosures requirement of the Accounting Standard (AS) 17 "*Segment Reporting*" issued by the The Institute of Chartered Accountants of India are not applicable. However it does not have any impact on the true and fair view of the state of affairs in case of Balance Sheet and Profit & Loss account.

17 Installed Capacity and Production

(Qty. in TPA)

Sr.	Capacity	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Crushing					
	Installed	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
	Utilised	2,511.00	2,106.00	1,867.71	1,362.67	1,760.20
	% Utilised	50.22%	42.12%	37.35%	27.25%	35.20%
2	Oil Filtration & Processing **					
	Installed	30,000.00	15,000.00	15,000.00	15,000.00	15,000.00
	Utilised	22,287.39	13,475.00	9,637.47	6,729.33	7,968.22

	% Utilised	74.29%	89.83%	64.25%	44.86%	53.12%
3	Total					
	Installed	35,000.00	20,000.00	20,000.00	20,000.00	20,000.00
	Utilised	24,798.39	15,581.00	11,505.18	8,092.00	9,728.42
	% Utilised	70.85%	77.91%	57.53%	40.46%	48.64%

Notes

- (i) Installed capacity being a technical matter is as certified by the Management of the Company and accepted by the Auditors.
- (ii) The Company's products are exempted from licensing provision under the Industries (Development & Regulation) Act, 1951.
- (iii) Consumption Quantity inclusive of Filtration & Other Losses

** During the financial year ended 31st December, 2002, 31st December, 2003, 31st December, 2004, 31st December, 2005 and 31st December, 2006 the company was disclosing Quantitative details with respect to Installed & Utilised Capacity of Crushing facilities. During the same years under consideration, we were also engaged in filtration and processing of edible oil. As per the provisions of 4C of part II of Schedule VI read with Section 211 of the Companies Act, 1956, disclosure in regard to quantitative details with respect to the installed capacity of the both manufacturing facilities as mentioned above is required.

However our company has not disclosed the quantitative details with respect to filtration and processing activities.

Our Company shall apply for compounding of the above offence of non disclosure under Section 621A of the Companies Act, 1956.

- 18 To the best of our knowledge and as per the information available with the management Sundry Creditors includes amount due to Small Scale Industrial Undertaking to whom company owes a sum exceeding Rs. 1.00 lakhs and which is outstanding for more than 30, days being in the normal course of business and as per relevant trade terms and conditions are, as follows :-

(Rs. In Lacs)

Sr.	Name of Party	31/Dec/07
1	Eskay Flexible Packaging Ind.P.Ltd.	12.21
2	Jayant Paper Box Pvt Ltd	7.03
3	Noble Industries	9.27
4	Royal Plast	9.70
5	Sweet Industries	2.28
6	Balaji Blow Print	5.89
	Total	46.38

Note

Suppliers / Service Providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have not furnished the information regarding filling of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under section 22 of the said Act is not given. The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the company. The Auditors have relied this upon.

- 19 **Foreign Exchange Fluctuation Loss**

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Foreign Exchange Fluctuation Loss	-	-	0.09	0.49	-

- 20** During the year 2005, the company has acquired at a cost of Rs. 15 Lakhs 1,50,000 Fully Paid Equity Shares of Rs. 10 /-each in Raj Oil Industries Pvt. Ltd. (ROIPL) representing 75 % of its equity capital. ROIPL became subsidiary of the company w.e.f. 29th January 2005. On 2nd April 2007, the said investments in ROIPL were sold for a consideration of Rs. 17 Lakhs representing a profit of Rs. 2 Lakhs. Since then ROIPL ceases to be a subsidiary company.
- 21** We confirm that all the Notes to the Accounts, Significant Accounting Policies and Auditors Qualifications have been incorporated
- 22** We confirm that there are no other material notes to the Auditors Report which has financial bearing on our company.

Annexure - V

STANDALONE AGE-WISE ANALYSIS OF SUNDRY DEBTORS

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Receivables					
a) Other than Promoter Group					
More than six months	165.76	55.47	232.68	364.46	119.56
Less than six months	5,179.63	2,221.33	667.80	599.85	981.79
Total (a)	5,345.39	2,276.80	900.47	964.32	1,101.35
b) From Promoter Group					
More than six months	-	-	-	-	-
Less than six months	-	-	60.14	81.11	(1.14)
Total (b)	-	-	60.14	81.11	(1.14)
Total (a) + (b)	5,345.39	2,276.80	960.61	1,045.43	1,100.21

Annexure - VI**STANDALONE DETAILS OF LOANS & ADVANCES**

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Receivables from					
a) Promoter Group	-	-	-	-	-
b) Group Companies / Associates / Directors	-	150.00	425.00	625.00	675.00
c) Others	913.95	152.59	133.77	243.98	144.54
Total	913.95	302.59	558.77	868.98	819.54

Annexure - VII

STANDALONE DETAILS OF SECURED LOANS

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Term Loan					
The Shamrao Vitthal Co-Op Bank Ltd.	349.26	-	393.11	455.04	385.30
Mogaveera Co-Op Bank Ltd.	-	-	-	-	309.27
The Kalyan Janta Sahakari Co-Op Bank Ltd.	-	-	-	258.83	-
Citibank NA	45.63	54.29	55.63	-	-
Total (a)	394.89	54.29	448.74	713.87	694.57
Workin Capital Loan					
The Shamrao Vitthal Co-Op Bank Ltd.	715.88	681.28	279.76	417.77	554.79
Total (b)	715.88	681.28	279.76	417.77	554.79
Vehicle Loan					
HDFC Bank Ltd.	-	15.80	56.72	80.33	-
ICICI Bank Ltd.	39.46	22.80	20.56	-	-
Tata Finance Ltd.	-	-	-	-	14.83
Total (c)	39.46	38.60	77.28	80.33	14.83
Total (a) + (b) + (c)	1,150.24	774.17	805.78	1,211.97	1,264.19

Sr.	Name of the Bank	Type of Facility	Date of Sanction	Limit Sanctioned	O/S as on 31st Dec. 2007	Interest Rate	Repayment Schedule	Last Installment	Security
1 Term Loan									
a	The Shamrao Vitthal Co-Op Bank Ltd	Term Loan	Ref No. CO/C 2006-07/14 10 Dt. 20th December 2006	Rs. 400.00 Lakhs	Rs. 349.26 Lakhs	@PLR - 0.50 % P.A (i.e @ 13%)	In 60 Equated Monthly Installment including of monthly interest.	Mar-12	Primary Security:- Equitable Mortgage of Factory Land & Bldg., Plant & Machinery At Ten Village-Manor, Taluka-Palghar, Dist. Thane, Maharashtra State. Personal Gurantee of the following Directors & Shareholders persons a) Shaukat S. Tharadra b) Azamkhan F. Lohani c) Rashid I. Tharadra d) Abdulla K. Musla e) Ismail A. R. Sulia

b	Citiban k N.A	Mortg age Loan	Loan No. 22107 9 Dt. 31st Janua ry, 2007	Rs. 47.34 Lakhs	Rs. 45.63 Lakhs	Floati ng Rate @ 9.5% P.A	In 120 Equated Monthly Installmen t including of monthly interest.	Jan-17	Primary Security:- Mortgage of residential property located at 3rd floor, Avval CHS Ltd, 61 Morland Road, Mumbai - 08. Collateral Security:- Mortgage of residential property of one of the directors & one shareholder. Located at 6, 4th floor, Avval CHS Ltd, 61 Morland Road, Mumbai - 08. Personal Gurantee of the following Directors a) Shaukat S. Tharadra b) Azamkhan F. Lohani c) Rashid I. Tharadra d) Abdulla K. Musla
2 Working Capital									
a	The Shamra o Vitthal Co.Op Bank Ltd	Fund Based - Cash Credit	Ref No. CO/C CC/2 007- 08/26 54/10 86 Dt. 17th Janua ry 2008	Rs. 1600. 00 Lakhs	Rs.715. 88 Lakhs	@PL R - 0.50 % P.A (i.e @ 13%)	Renewabl e due in January 2009, payable on Demand	- N.A.-	Primary Security:- Against hypothecation of Stock & Book Debts upto 90 days Collateral Security:- Factory Land & Bldg., Plant & Machinery At Ten Village Manor, Taluka- Palghar, Dist. Thane, Maharashtra Personal Gurantee of the following Directors & Shareholders a) Shaukat S. Tharadra b) Azamkhan F. Lohani c) Rashid I. Tharadra d) Abdulla K. Musla e) Ismail A. R. Sulia
b	The Shamra o Vitthal Co.Op Bank Ltd	Non Fund Based - Letter of Credit	Ref No. CO/C CC/2 007- 08/26 54/10 86 Dt. 17th Janua ry 2008	Rs. 500.0 0 Lakhs	Rs. 476.20 Lakhs	-	Renewabl e due in January 2009, payable on Demand	- N.A.-	
3 Auto loan									

a	ICICI BANK LTD	Auto Loan	1/Oct/05	Rs. 4.00 Lakhs	Rs. 0.95 Lakhs	@ 5.07 Flat	36 Equated Monthly Installment including of monthly interest.	1/Aug/08	Primary Security:- Against hypothecation of vehicle Tata Indigo No. MH01-PA-4390
b	ICICI BANK LTD	Auto Loan	1/Nov/05	Rs. 6.30 Lakhs	Rs. 1.74 Lakhs	@ 5.07 Flat	36 Equated Monthly Installment including of monthly interest.	1/Sep/08	Primary Security:- Against hypothecation of vehicle Honda City No. MH01-PA-6505
c	ICICI BANK LTD	Auto Loan	1/Nov/05	Rs. 3.75 Lakhs	Rs. 1.00 Lakhs	@ 3.12 % flat	36 Equated Monthly Installment including of monthly interest.	1/Sep/08	Primary Security:- Against hypothecation of vehicle Tata Indica No. MH01-PA-5107
d	ICICI BANK LTD	Auto Loan	5/May/06	Rs. 9.00 Lakhs	Rs. 4.00 Lakhs	@ 8.13 % Flat	48 Equated Monthly Installment including of monthly interest.	5/Mar/09	Primary Security:- Against hypothecation of vehicle Toyota Innova No. MH01-VA-3210
e	ICICI BANK LTD	Auto Loan	10/May/06	Rs. 9.00 Lakhs	Rs. 4.00 Lakhs	@ 8.13 % Flat	48 Equated Monthly Installment including of monthly interest.	10/Mar/09	Primary Security:- Against hypothecation of vehicle Toyota Innova No. MH01-VA-6161
f	ICICI BANK LTD	Auto Loan	5/May/07	Rs. 17.00 Lakhs	Rs. 14.39 Lakhs	@ 12.67 %	48 Equated Monthly Installment including of monthly interest.	1/Mar/11	Primary Security:- Against hypothecation of vehicle Honda Accord No. MH-01 7070
g	ICICI BANK LTD	Auto Loan	5/Sep/07	Rs. 9.82 Lakhs	Rs. 9.05 Lakhs	@ 12.67 % Flat	48 Equated Monthly Installment including of monthly interest.	5/Aug/11	Primary Security:- Against hypothecation of vehicle Toyota Innova No. MH01-AC-8080
h	ICICI BANK LTD	Auto Loan	10/Aug/07	Rs. 4.8 Lakhs	Rs. 4.35 Lakhs	@ 12.90 % Flat	48 Equated Monthly Installment	10/Jul/11	Primary Security:- Against hypothecation of vehicle Mahendra

							t including of monthly interest.		Bulero No. MH04-DB-6661
--	--	--	--	--	--	--	---	--	----------------------------

We cnfirm that there are no reschedulement, prepayment, penalty, default etc on any of the abovementioned secured loan.

Annexure - VIII

STANDALONE DETAILS OF UNSECURED LOANS

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Received from					
a) Promoter Group	808.11	13.85	-	-	-
b) Group Companies	-	-	-	-	-
c) Others					
1) ICICI Bank Ltd.	1.57	-	-	-	-
2) Kotak Mahindra Bank Ltd.	70.42	-	-	-	-
3) Citifinancial Consumer Finance Ltd.	80.12	-	-	-	-
Total Others	152.11	-	-	-	-
Total (a) + (b) + (c)	960.22	13.85	-	-	-

Sr.	Name of the Bank / Lender	Type of Facility	Date of Sanction	Limit Sanctioned	O/S as on 31st Dec. 2007	Interest Rate	Repayment Schedule	Last Installment	Security
Unsecured Loan									
a	Kotak Mahindra Bank Ltd.	Unsecured - Loan	22/Jan/07	Rs. 50.00 Lakhs	Rs. 33.36 Lakhs	@ 8.27% P.A flat	In 36 Equated Monthly Installment including of monthly interest.	Dec-09	Personal Gurantee of the follwing Directors a) Shaukat S. Tharadra b) Abdulla K. Musla
b	Kotak Mahindra Bank Ltd.	Unsecured - Loan	7/Aug/07	Rs. 45.00 Lakhs	Rs. 37.46 Lakhs	@ 8.27% P.A flat	In 36 Equated Monthly Installment including of monthly interest.	Jul-10	Personal Gurantee of the follwing Directors a) Shaukat S. Tharadra b) Abdulla K. Musla
c	CitiFinancial Consumer Finance India Ltd	Unsecured - Loan	26/May/05	Rs.97.71 Lakhs	Rs. 80.12 Lakhs	@ 14% P.A	In 84 Equated Monthly Installment including of monthly interest.	May-13	Unsecured
d	ICICI BANK LTD	Unsecured - Loan	20/Apr/05	Rs.9.26 Lakhs	Rs. 1.57 Lakhs	@ 14% P.A	In 36 Equated Monthly Installment including of	May-08	Unsecured

							monthly interest.		
e	Shaukat S. Tharadra	Unsecured - Loan	-	-	Rs. 808.11 Lakhs	-	Repayable on Demand	-	Unsecured

Annexure - IX**STANDALONE DETAILS OF OPERATING INCOME**

(Rs. In Lacs)

Particulars	For the year ended 31st December				
	2007	2006	2005	2004	2003
Domestic Sale	23,909.52	11,998.99	8,347.46	7,959.27	13,348.71
Export Sale	-	-	-	218.01	13.36
Total	23,909.52	11,998.99	8,347.46	8,177.29	13,362.08

Annexure - X**STANDALONE DETAILS OF OTHER INCOME**

(Rs. In Lacs)

Particulars	For the year ended 31st December				
	2007	2006	2005	2004	2003
Interest Received	-	0.17	6.34	1.96	1.22
Dividend Received	-	0.51	-	0.26	-
Export Incentive	-		-	2.14	-
Miscellaneous Income	8.39	5.42	1.86	12.10	12.10
Total	8.39	6.09	8.20	16.46	13.32

Annexure - XI

STANDALONE DETAILS OF CONTINGENT LIABILITIES

(Rs. In Lacs)

Particulars	As on 31st December				
	2007*	2006	2005	2004	2003
Corporate Guarantee Given	750.00	750.00	500.00	-	-
Unexecuted Contracts	477.48	-	-	172.62	15.30
Total	1,227.48	750.00	500.00	172.62	15.30

* In addition to the Contingent Liabilities disclosed above for the year 2007, the following Contingent Liabilities have been identified

As per the decision of the management, no leave accumulation by employees is allowed hence no Provision has been made for leave outstanding as on the balance sheet date.

During the year the Income Tax Department conducted a survey on 12th December 2007. The company has accepted the capital expenditure of Rs. 245.00 lacs, being wrongly shown as book-debts in the books of accounts and accepted to rectify the same in the current year. The department is of the opinion that the same is unaccounted expenditure and added to the income of current year. The management is of the opinion that said addition is not likely to effect the income of the current year.

Annexure - XII

STANDALONE DETAILS OF FINANCIAL RATIOS ON RESTATED NUMBERS AND EARNING PER SHARE

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Net Profit After Tax (NPAT) for the year Ended	1,815.20	672.41	155.31	71.27	86.51
Weighted Average No. of Equity Shares Outstanding	17,339,144	8,520,000	7,910,411	6,020,000	5,582,740
Diluted Weighted Average Equity Shares Outstanding	17,339,144	8,630,000	8,048,911	7,169,500	5,615,140
Net Worth	4,338.89	1,784.46	1,053.86	572.60	436.00

Accounting Ratios

1	Return on Total Assets (%)	19.40%	14.77%	5.22%	2.29%	2.97%
2	Return on Equity (%)	41.84%	37.68%	14.74%	12.45%	19.84%
3	Net Assets Value Per Equity Share	23.47	20.94	12.37	9.51	7.24

Earning Per Share

1	Basic	10.47	7.89	1.96	1.18	1.55
2	Cash	11.50	9.50	3.98	3.08	3.50
3	Diluted	10.47	7.79	1.93	0.99	1.54

Notes:

- Earning Per Share has been adjusted for the year presented.
- Earning Per Share and Return On Net Worth is annualised.

Ratio has been computed as follows

1	Return on Total Assets (%)	<u>Profit After Tax</u>
		Total Fixed Assets including Investments and Current Assets & Loans & Advances
2	Return on Equity (%) (ROE)	<u>Net profit after tax as restated</u>
		Net Worth at the end of the year
3	Net Asset Value Per Share (NAV) (Rs.)	<u>Net Worth at the end of the year</u>
		No. of Equity shares outstanding during the year
4	Earning Per Share (EPS) (Rs.)	Net profit after tax as restated attributable to Equity Shareholders
		Weighted average no. of Equity shares outstanding during the year

Annexure - XIII**STANDALONE DETAILS OF CAPITALISATION STATEMENT AS AT 31ST DECEMBER 2007**

(Rs. in Lacs)		
Particulars	Pre - Issue	Post Issue *
Borrowings		
Short Term Debts	1,563.45	[*]
Long Term Debts	547.01	547.01
Total Debts	2,110.46	[*]
Shareholder's Fund		
Equity Share Capital	1,849.02	[*]
Reserve & Surplus	2,495.80	[*]
Less : - Misc. Expenditure not written off	5.93	[*]
Total Shareholder's Fund	4,338.89	[*]
Total Debt Equity Ratio	0.49	[*]

Notes

1. The Debt / Equity ratio is calculated on Total Debt instead of Long Term Debt to Equity ratio, to present the prudent and conservative ratio as the Company does not have any material Long Term Debts.
2. Short term debts are debts repayable within a period of 12 months.
3. Since 1st January 2008, Equity Share Capital was increased from 1,849.02 Lakhs to Rs. 2,501.01 Lakhs consequent upon further issue to promoters.

ANNEXURE - XIV

TAX SHELTER STATEMENT

(In Rs. Lacs)						
Particulars		31-Mar-07	31-Mar-06	31-Mar-05	31-Mar-04	31-Mar-03
Net Profit / (Loss) before Tax		1,199.16	158.91	64.76	137.65	(58.97)
Tax Rate (in %)		33.66	33.66	36.49	35.88	36.75
Tax at Notional Rate	(A)	403.64	53.49	23.63	49.38	(21.67)
Adjustments						
Permanent Differences	(B)					
Preliminary Expenses Written Off		0.55	0.55	0.55	0.55	0.55
Pre-operative Expenses Written Off		-	(0.57)	1.15	-	-
Disallowance for Donation		-	-	0.06	0.46	0.41
Capital Expenditure incurred on increase in Authorised Capital		-	-	-	4.20	2.11
Loss on Sale of Fixed Assets		25.58	2.76	21.55	5.73	4.14
Total Permanent Differences		26.13	2.75	23.31	10.94	7.21
Timing Difference	(C)					
Difference between Tax Depreciation & Book depreciation		(57.12)	(61.98)	(71.72)	(88.96)	(88.62)
Deferred Revenue Expenses (claimed) / disallowed		57.43	57.43	78.70	(47.79)	(119.92)
Unpaid Gratuity / Leave Encashment		1.07	3.55	3.05	4.78	1.67
Sales Tax Unpaid		42.14	0.05	-	-	-
Business Losses / Unabsorbed Allowances Carried Forward / (Adjusted)		-	(144.62)	(98.09)	(16.62)	258.63
Total for Timing Difference		43.52	(145.56)	(88.06)	(148.59)	51.76
Total Adjustments	B	43.52	(145.56)	(88.06)	(148.59)	51.76
Tax Expense / (Saving) thereon	(D)	14.65	(48.99)	(32.13)	(53.31)	19.02
Tax liability after considering the effect of adjustments (A) - (D)		418.29	4.49	(8.50)	(3.92)	(2.65)
Tax liability under MAT on book profits		-	13.37	5.08	8.31	-
Interest liability under Section 234 (b) & (c) under the Income Tax Act, 1961		60.85	0.90	0.56	0.99	-
Total tax Liability		479.14	14.27	5.64	9.30	-
Taxation on Extraordinary Items		-	-	-	-	-
Tax on profits before Extraordinary Items		479.14	14.27	5.64	9.30	-

Notes:

1. The aforesaid Statement of Tax Shelters has been prepared as per audited accounts of Raj Oil Mills Ltd. for the year ended as on 31st March of the respective financial year under the Income Tax Act 1961, and is not based on Profit as per Statement of Profit & Losses as Restated.
2. The Tax Shelter Statement has been prepared considering acknowledged copied of the Income Tax Returns filed as per section 139 (1) of the Income Tax Act, 1961.

Annexure - XV

STATEMENT OF INVESTMENTS

(Rs. In Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Long Term					
Govt Security (Unquoted)					
National Saving Certificate (Pledged with Govt. Dept.)	0.25	0.25	0.25	0.25	0.25
Equity Shares (Non Trade, Unquoted)					
4,000 Fully Paid Up Equity Share of The Shamrao Vitthal Co-Op Bank Ltd.	1.00	1.00	1.00	1.00	1.00
2,500 Fully Paid Up Equity Share of The Saraswat Co-Op Bank Ltd.	0.25	0.25	0.25	0.25	-
1,000 Fully Paid Up Equity Share of Kalyan Janta Sahakari Bank Ltd.	1.00	1.00	1.00	1.00	-
Investment in Subisdary 1,50,000 Fully Paid Up Equity Share of Raj Oil Industries Pvt. Ltd.	-	15.00	15.00	-	-
Total	2.50	17.50	17.50	2.50	1.25

Annexure - XVI

LIST OF RELATED PARTIES

Sr.	S r.	Particulars	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
I	Individual having control with relatives and associates						
	a	Chairman & Managing Director	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra
	b	Wife of Chairman & Managing Director	Shahida S. Tharadra	Shahida S. Tharadra	Shahida S. Tharadra	Shahida S. Tharadra	Shahida S. Tharadra
II	Key Management Personnel						
	a	Chairman & Managing Director	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra	Shaukat S Tharadra
	b	Whole Time Director	Azamkhan F. Lohani	Azamkhan F. Lohani	Azamkhan F. Lohani	Azamkhan F. Lohani	Azamkhan F. Lohani
	c	Whole Time Director	Rashid I. Tharadra	-	-	-	-
III	Entities owned or significantly influenced by Directors and/or key management personnel or their relatives and with whom Company has entered into transactions during the period under review.						
	a	A Partnership firm in which some of the directors are partners	Raj Oil Mills	Raj Oil Mills	Raj Oil Mills	Raj Oil Mills	Raj Oil Mills
	b	Associate concern	-	Raj Oil Centre **	Raj Oil Centre	Raj Oil Centre	Raj Oil Centre
			-	Raj Oil Trading **	Raj Oil Trading **	Raj Oil Trading **	Raj Oil Trading **
			-	Raj Oil Traders **	Raj Oil Traders	Raj Oil Traders	Raj Oil Traders
	c	Associates	Raj Oil Mills Ltd Employee's Gratuity Trust	Raj Oil Mills Ltd Employee's Gratuity Trust	Raj Oil Mills Ltd Employee's Gratuity Trust	Raj Oil Mills Ltd Employee's Gratuity Trust	Raj Oil Mills Ltd Employee's Gratuity Trust
			Raj Oil Mills Employee's Gratuity Trust	Raj Oil Mills Employee's Gratuity Trust	Raj Oil Mills Employee's Gratuity Trust	Raj Oil Mills Employee's Gratuity Trust	Raj Oil Mills Employee's Gratuity Trust
IV	Entities owned or significantly influenced by Directors and/or key management personnel or their relatives and with whom Company has not entered into any transactions during the period under review.						
	a	A Partnership firm in which some of the directors are partners	Raj Builders	Raj Builders	-	-	-
	b	Subsidiary Company	Raj Oil Industries Private Limited **	Raj Oil Industries Private Limited	Raj Oil Industries Private Limited	-	-

	c	Associate Company	-	-	-	Raj Oil Industries Private Limited	Raj Oil Industries Private Limited
			-	Raj Oil Mills (Mumbai) Private Limited	Raj Oil Mills (Mumbai) Private Limited	Raj Oil Mills (Mumbai) Private Limited	Raj Oil Mills (Mumbai) Private Limited
			-	Raj Oil Trading (Company) Private Limited	Raj Oil Trading (Company) Private Limited	Raj Oil Trading (Company) Private Limited	Raj Oil Trading (Company) Private Limited
			-	Raj Oil Traders Private Limited	Raj Oil Traders Private Limited	Raj Oil Traders Private Limited	Raj Oil Traders Private Limited
			-	Raj Oil Centre Private Limited	Raj Oil Centre Private Limited	Raj Oil Centre Private Limited	Raj Oil Centre Private Limited

Transaction with Related Parties

(In Rs. Lacs)

Particulars		31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	In relation to I & II above					
a	Remuneration Paid	32.25	11.78	8.40	8.40	7.40
	Balance as on	-	-	0.70	0.70	-
b	Rent	18.80	-	-	-	-
	Balance as on	-	-	-	-	-
c	Unsecured Loan	794.26	13.85	-	-	-
	Balance as on	808.11	13.85			
2	In relation to III & IV above					
a	Sale of goods	-	449.91	1,132.51	305.24	161.71
	Balance as on		-	60.14	81.11	(1.14)
b	License Fees & Royalty for Brand & Trademark used	12.17	12.17	14.27	23.88	27.94
	Balance as on		-		1.31	(7.26)
c	Security Deposit	(150.00)	(275.00)	(200.00)	(50.00)	50.00
	Balance as on	-	150.00	425.00	625.00	675.00
d	Contribution to Gratuity Funds	7.05	9.05	8.45	7.40	8.16
	Balance as on	7.05	9.05	8.45	2.67	-
e	Trademark Assigned	0.05	-	-	-	-
	Balance as on	-	-	-	-	-

CONSOLIDATED FINANCIAL INFORMATION

AUDITORS' REPORT

To,
The Board of Directors,
Raj Oil Mills Limited,
224-230, Bellasis Road,
Mumbai – 400 008

Dear Sirs,

A) Financial Information as per Audited Financial Statement

- 1) We have examined the annexed restated consolidated financial information of Raj Oil Mills Ltd. and its subsidiary Raj Oil Industries Pvt. Ltd for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Public Issue of Equity Shares in the Company (referred to as “**the issue**”). The financial information is based on the accounts audited for the financial years ended December 31, 2006 and December 31, 2005. This restated consolidated financial information have been extracted from the consolidated financial statements for the year ended December 31, 2005 audited by M/s S. H. Bathiya & Associates, Chartered Accountants, Mumbai being the auditors of the company for that year and for the financial year ended December 31, 2006 have been audited by us. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these accounts based on the audit.
- 2) In accordance with the requirements of:
 - a) Paragraph B (1) of Part II of Schedule II of the Companies Act, 1956 ('the Act');
 - b) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (DIP Guidelines.) and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date;
 - c) The terms of reference with the Company dated 26th April 2008 requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated consolidated assets and liabilities of the Company as at December 31, 2006 and December 31, 2005, are as set up in “*Annexure I*” to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report. We report that the restated consolidated profits and loss statements of the company for the financial years ended December 31, 2006 and December 31, 2005, are as set out in “*Annexure II*” to this report. These consolidated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report.

We report that the restated consolidated cash flows of the Company for the financial year ended December 31, 2006 are as set out in “*Annexure III*” to this report.

These consolidated cash flows have been arrived at after making such adjustments / restatements and regrouping as in our opinion are appropriate and more fully described in the notes appearing in “*Annexure IV*” to this report.

B) Other Financial Information

We have examined the following consolidated financial information relating to the Company as approved by the Board of Directors for the purpose of inclusion in the offer Document:

1. Financial Ratios (Annexure V),

C) In our opinion the above consolidated financial information of the Company as stated in Para A & B above read with significant accounting policies and notes appearing in “Annexure IV” to this report, after making adjustments / restatements and re-grouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

D) Financial Information as per Audited Financial Statement of Subsidiary

1. The accounts of Raj Oil Industries Pvt. Ltd. a subsidiary of the company for the financial year ended December 31, 2006 & period ended December 31st 2005 (28th February 2005 to December 31st 2005), included in the accounts have been prepared by the management based on the audited accounts of the company for the period from 28th February 2005 to December 31st 2005 audited by other auditors. The accounts for the financial year ended December 31, 2006 & period ended December 31st 2005 have been prepared and approved by its Board of Directors and audited by other auditors. On 2nd April 2007, Raj Oil Industries Pvt. Ltd. ceased to be a subsidiary company. The accounts of the subsidiary company for the period 1st January to 2nd April, 2007 have not been consolidated.
2. The financial statements of the above mentioned subsidiary companies have been consolidated by the Company’s management in the Company’s restated summary financial statements as appearing in Annexure I, II, III, IV and V read with notes to consolidation as appearing in Annexure IV to this report.

This report should not in any way be constructed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for your information and for inclusion in the offer document in connection with the Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For **M.K. Gohel & Associates**
Chartered Accountants

Sd/-
Mukesh K. Gohel
Proprietor
Membership No. – 038823

Place: - Mumbai
Date: - 26th May 2008

Annexure - I

SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	As At 31st December				
	2007	2006	2005	2004	2003
		Consolidated			
A. Fixed Assets					
Gross Fixed Assets	2,100.04	1,520.29	1,334.85	712.21	680.69
Less : Accumulated Depreciation	253.02	225.45	157.47	106.95	61.96
Net Fixed Assets	1,847.02	1,294.84	1,177.38	605.26	618.73
Less : Revaluation Reserves	-	-	-	-	-
Net Fixed Assets After Revaluation Reserves	1,847.02	1,294.84	1,177.38	605.26	618.73
Capital Work in Progress	228.56	14.09	-	293.88	6.40
Total Fixed Assets	2,075.58	1,308.93	1,177.38	899.14	625.13
B. Investments	2.50	3.75	3.25	2.50	1.25
C. Current Assets, Loans & Advances	-	-	-	-	-
Sundry Debtors	5,345.39	2,318.80	1,004.59	1,045.43	1,100.21
Cash and Bank Balances	243.78	186.96	122.10	77.87	76.07
Loans and Advances	913.95	295.75	550.31	868.98	819.54
Inventories	777.59	506.74	174.64	216.58	293.48
Total (C)	7,280.70	3,308.25	1,851.64	2,208.85	2,289.30
D. Liabilities & Provisions					
Minority Interest	-	8.10	5.88	-	-
Secured loans	1,150.24	774.17	805.78	1,211.97	1,264.19
Unsecured loans	960.22	15.84	1.99	-	-
Deferred Tax Liability (Net)	168.68	121.73	119.43	144.51	108.96
Current Liabilities	1,762.26	1,521.90	993.21	1,057.46	1,098.43
Provisions	978.50	374.60	35.80	9.00	-
Share Application Money pending allotment	-	11.00	13.85	114.95	8.10
Total (D)	5,019.90	2,827.33	1,975.94	2,537.89	2,479.68
E. Net Assets (C-D)	2,260.80	480.92	(124.29)	(329.04)	(190.38)
E . Net Worth (A + B + C - D)	4,338.89	1,793.60	1,056.33	572.60	436.00
Represented by					
Equity Share Capital	1,849.02	852.00	852.00	602.00	602.00
Reserve & Surplus	2,495.80	986.87	307.81	149.85	78.58
Revaluation Reserves	-	-	-	-	-
Total	4,344.82	1,838.87	1,159.81	751.85	680.58
Less : - Miscellaneous Expenditure not w/off	5.93	45.27	103.48	179.25	244.58
F. Net Worth	4,338.89	1,793.60	1,056.33	572.60	436.00

Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure – IV to the Report.

Annexure - II

SUMMARY OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED AS RESTATED

(In Rs. Lacs)

Particulars	For the Year ended 31st December				
	2007	2006	2005	2004	2003
		Consolidated			
Income					
Sales & Operating Incomes					
- Manufactured Goods	21,738.54	11,025.87	8,001.43	6,842.06	6,639.65
- Traded Goods	2,170.98	973.12	346.04	1,117.21	6,709.06
Export Sales	-	249.87	185.65	218.01	13.36
Other Income	8.39	21.86	8.62	16.46	13.32
Increase/(Decrease) in Inventory	74.20	13.29	(36.14)	(53.25)	49.39
Total Income	23,992.11	12,284.01	8,505.60	8,140.50	13,424.79
Expenditure					
Raw Material Consumed / Cost of Traded Goods	19,385.17	9,782.18	7,137.10	7,013.16	12,194.60
Manufacturing Expenses	152.99	134.70	115.68	73.12	105.75
Payment & Provision for Employees	460.65	373.09	242.28	270.79	247.25
Administrative and Other Expenses	375.11	269.95	268.50	220.00	246.62
Selling and Distribution Expenses	405.35	418.45	314.96	184.20	272.32
Finance Cost	292.77	174.49	197.27	217.32	210.32
Depreciation & Amortisation	79.42	73.28	61.41	46.10	43.51
Total Expenditure	21,151.47	11,226.14	8,337.19	8,024.68	13,320.37
Profit for the Period	2,840.65	1,057.87	168.41	115.82	104.42
Add / (Less) : Prior Period Items	-	-	-	-	-
Profit Before Tax & Extra Ordinary Items	2,840.65	1,057.87	168.41	115.82	104.42
Add / (Less) : Provision for Tax					
Current Tax	(958.00)	(359.05)	(25.30)	(9.00)	-
Fringe Benefit Tax	(0.50)	(0.25)	(0.50)	-	-
Wealth Tax	(20.00)	(15.00)	(10.00)	-	-
Earlier Years	-	-	-	-	-
Deferred Tax Liability / (Assets)	(46.95)	(2.30)	25.08	(35.55)	(17.91)
Profit After Tax but before Extra Ordinary Items	1,815.20	681.27	157.69	71.27	86.51
Extra Ordinary Items (Net of Taxes)	-	-	-	-	-
Profit After Tax & Extra Ordinary Items	1,815.20	681.27	157.69	71.27	86.51
Balance brought forward from previous year	948.57	278.82	122.02	49.59	(34.92)
Net Profit Available for Appropriation					
Less : - Minority Interest	-	(2.22)	(0.88)	-	-
Appropriation	-	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-
Capatilized during the year for Bonus Shares	(823.00)	-	-	-	(2.00)
Balance carried forward as restated	1,940.77	957.87	278.82	120.86	49.59

Note: The above statement should be read with the Notes on Adjustment and Significant Accounting Policies for Restated financial Statements as representing in Annexure – IV to the Report.

Annexure - III

STATEMENT OF CASH FLOW AS RESTATED

(Rs. In Lacs)

		Year Ended 31st December				
		2007	2006	2005	2004	2003
		Standalo ne	Consolida ted	Consoli dated	Standalo ne	Standalo ne
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit Before Tax and Extra Ordinary items	2,840.65	1,057.87	168.41	115.82	104.42
	Adjustment For					
	Add : Minority's Share of Profits	-	(2.22)	(0.88)	-	-
	Depreciation	79.42	73.28	61.41	46.10	43.51
	Loss on Sale of Assets	60.34	5.40	21.86	2.48	5.73
	Preliminary Expenses written off	0.17	0.69	1.21	0.17	0.69
	Pre-operative Expenses written off	0.02	0.07	1.35	0.64	0.64
	Deferred Revenue Expenses written off	38.99	57.43	73.38	64.52	58.59
	Interest (net)	267.91	167.68	192.66	208.08	183.91
	Operating Profit Before Working Capital Changes	3,287.50	1,360.21	519.39	437.84	397.49
	<u>Adjustment for working capital changes</u>					
	(Increase) / Decrease in Trade & Other Receivables	(3,438.83)	(1,314.21)	40.84	54.77	(703.54)
	(Increase) / Decrease in Advance to suppliers/creditors	-	0.43	158.38	(58.82)	32.48
	(Increase) / Decrease in Other Current Assets	155.21	242.83	203.82	43.98	(28.99)
	(Increase) / Decrease in Miscellaneous Expenditure	-	0.02	-	-	(134.64)
	Increase / (Decrease) in Trade Payables	286.15	446.04	(151.25)	(40.97)	388.74
	(Increase) / Decrease in Loans and Advances	(766.56)	11.29	(50.09)	(34.59)	66.44
	(Increase) / Decrease in Inventories	(273.63)	(332.10)	41.94	76.90	30.22
	Net Cash used / generated for / from Operations	(750.18)	414.50	762.85	479.11	48.21
B	CASH FLOW FROM INVESTING ACTIVITIES					
	Purchase of Fixed Assets / Capital Work In Progress	(975.69)	(214.24)	(380.97)	(323.35)	(127.81)
	Investments made	15.00	(0.50)	(0.75)	(1.25)	(0.50)
	Sale/Discarding of Fixed Assets	55.19	4.01	25.84	0.75	8.68
	Net Cash used in Investing Activities	(905.50)	(210.73)	(355.88)	(323.85)	(119.62)
C	CASH FLOW FROM FINANCING ACTIVITIES					
	Proceeds form Long Term Borrowings	341.47	(433.13)	(268.18)	84.79	(5.77)
	Proceeds form Short Term Borrowings	980.97	464.75	(50.80)	(137.02)	102.04
	Interest Paid	(267.91)	(167.68)	(192.66)	(208.08)	(183.91)
	Net Cash generated from Financing Activities	1,054.53	(136.06)	(511.63)	(260.31)	(87.64)
D	OTHERS					
	Proceed from issue of Equity Shares	145.02	-	250.00	-	40.00
	Share Premium received on issue of	555.03	-	-	-	60.00

	Equity Shares					
	Share Application money received pending allotment	(11.00)	(2.85)	(101.10)	106.85	3.05
	Net Cash generated from other sources	689.05	(2.85)	148.90	106.85	103.05
	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	87.90	64.86	44.24	1.80	(56.00)
	Cash & Cash Equivalents - Opening Balance	155.87	122.10	77.87	76.07	132.07
	Cash & Cash Equivalents - Closing Balance	243.78	186.96	122.10	77.87	76.07
	Summary	2007	2006	2005	2004	2003
A)	CASH FLOW FROM OPERATING ACTIVITIES	(750.18)	414.50	762.85	479.11	48.21
B)	CASH FLOW FROM INVESTING ACTIVITIES	(905.50)	(210.73)	(355.88)	(323.85)	(119.62)
C)	CASH FLOW FROM FINANCING ACTIVITIES	1,054.53	(136.06)	(511.63)	(260.31)	(87.64)
D)	OTHERS	689.05	(2.85)	148.90	106.85	103.05
	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	87.90	64.86	44.24	1.80	(56.00)

Note:

The financial year from January 1, 2005 to December 31, 2005, is the first year of preparation of Consolidated financials statements and since the adjusted consolidated balances at December 31, 2004 which are relevant for the year's cash flow are not available, hence it is not practical to present the indirect method consolidated cash flow statement for the year from January 1, 2005 to December 31, 2005.

Annexure - IV

NOTES ON ADJUSTMENTS AND SIGNIFICANT ACCOUNTING POLICIES FOR RESTATED CONSOLIDATED FINANCIAL STATEMENTS

1 NOTES ON ADJUSTMENTS

- a) *Short / Excess Provision for Income Tax*
The profit and loss account for the year ended December 31, 2007, December 31, 2006, December 31, 2005, December 31, 2004 and December 31, 2003 include amounts paid / provided for or refunded in respect of shortfall / excess income-tax arising out of assessments, appeals etc. For the purpose of this statement, the said Income - Tax has been appropriately adjusted in the respective years.

2 Significant Accounting Policies

a) **Basis of preparation of consolidated financial statements**

- (I) The accompanying consolidated financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP's) and the provisions of the Companies Act, 1956 as adopted consistently by the company.
- (II) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles followed by the company.

b) **Fixed Assets & Depreciation / Amortisation**

- (I) Fixed assets are stated at historical cost including any attributable cost including taxes & other duties, freight, installation & other direct or allocable expenses and related borrowing cost for bringing the respective asset to its working condition for its intended use, less accumulated depreciation.
- (II) Major renovation/construction expenditure of capital nature on building taken on Lease/Leave & License basis is capitalized and is stated at cost less accumulated depreciation. The same will be however, written off if the Company vacate the said building.
- (iii) Depreciation is provided as per the straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 on pro-rata basis on all assets including capital expenditure on land & building taken on lease/Leave & License basis but excluding for Computer Software. In case of Computer Software, depreciation is provided as per straight-line method at the rates provided in schedule XIV of the Companies Act, 1956 in respect of Computers.
- (iv) Pursuant to accounting standard 28 "Impairment of Assets" issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

c) **Investments**

- (I) Long term Investments are stated at cost of acquisition. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.
- (II) Dividends are accounted for as and when received.

- d) Foreign Currency Transactions:**
- (I) All foreign Currency Transactions were initially recognized at the exchange rates on the date of transactions.
 - (II) Exchange difference arising on the settlement of monetary items was recognized as income/ expenses.
 - (iii) Monetary items and contingent liabilities as on the date of Balance Sheet are stated at the closing rate /realistic rate.
- (e) Inventories**
- (I) Inventories are valued at cost or net realizable values whichever is lower, except by-products, which is valued at estimated realizable value.
 - (II) In determining the cost of raw material stores spares and other materials, cost is ascertained on FIFO method. Work in progress and finished products includes material cost, labour and factory overheads and excise duty if applicable
- (f) Employee Retirement Benefits**
- (I) The Company's contribution in respect of Provident Fund is charged to Profit & Loss Account every year.
 - (II) Provision of gratuity as on the balance sheet date is accounted on Actuarial basis by an independent actuary and Company's contribution to the Group Gratuity Scheme of Life Insurance Corporation of India are charged against the revenue every year.
 - (iii) Liability for leave outstanding as on the balance sheet date and other benefits are accounted on accrual basis.
- (g) Liquidated Damages**
- Liquidated damages / Penalties, if any are provided whenever there is a claim from party and when the same is accepted by the company.
- (h) Preliminary Expenses**
- Preliminary expenses are written off over a period of five years.
- (i) Pre-operative Expenditure**
- Pre-operative expenditure incurred prior to commencement of business operations of any division is written off over a period of five years.
- (j) Deferred Revenue Expenditure**
- (I) Advertisement & Product launching Expenditure where benefit is expected to be derived in the future is treated as deferred revenue expenditure up-to accounting year 31st December 2003, and written-off to the profit and loss account over a period of Five years.
 - (II) Finance, Legal and Documentation charges incurred in respect of secured loans is treated as deferred revenue expenditure up-to accounting year 31st December 2003, and written off to the profit and loss account over the period of loan.
- (k) Accounting for taxes on Income**
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The same is accounted for, using the tax rates as on balance sheet date. Deferred Tax assets are recognized only when there is virtual certainty of their realization.
- (l) Insurance Claim**
- Insurance and other claims to the extent considered recoverable are accounted for in the year of claim based on the amount assessed by the surveyor. However, claims and refund whose recovery cannot be ascertained with reasonable certainty, are accounted for on acceptance/actual receipts basis.

- (m) **Earning per Share**
- (I) Basic Earning per Equity Share is calculated by using weighted average number of Equity Shares outstanding during the period.
 - (II) Diluted Earning per share comprises the weighted average number of Equity Shares considered for deriving Basic Earnings per Equity Share and weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares at last issue price of each share. Dilutive potential shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.
 - (iii) In case of any Bonus issue or any other corporate action during the year affecting number of outstanding shares, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.
- (n) **Revenue recognition**
- (I) In case of direct sales, revenue on sales of products is recognized when the products are dispatched to customers. Sales are stated inclusive of sales tax and excise duties but net of returns, primary trade schemes and trade discounts.
 - (II) In case of Consignment Sales and Sales by Clearing & Forwarding Agents, revenue is recognized on actual sales of goods by Consignee/Agents at his location and on receipt of statement of account from the agent.
 - (iii) All expenses are accounted for on accrual basis unless otherwise specified.
- (o) **Provision, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the consolidated financial statements.
- (p) **Borrowing Costs**
- (I) Borrowing costs that are directly attributable to the long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred.
 - (II) Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the assets for its intended use or sale are in progress. Borrowing costs are suspended from capitalization on the project when the development work on the project is interrupted for extended periods.
- (q) **Related Party Transaction**
- Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.
- (r) **Use Of Estimates**
- In preparing Company's consolidated financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period, actual results could differ from those estimates.

Notes to Consolidated Accounts

1 Auditors Qualification

The company does not have an internal audit system commensurate with the nature of its business. As per managements views it does not any material impact on the profitability of the company.

2 **Material Regroupings**

Following regroupings has been made to keep in line previous year's figures with latest audited financial statements :

- a Upto financial year ended 31st December 2006, the company has been showing "*Gross Sales*" only in the profit and loss account. From the financial year ended 31st December 2007 the company changed its presentation by reclassifying "*Gross Sales*" under two catagories namely "*Trading*" and "*Manufacturing*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.
- b Upto financial year ended 31st December 2005, the company has been showing "*Gross Sales*" exclusive of excise duty and sales tax only in the Profit and Loss Account. From the financial year ended 31st December 2006 the company changed its presentation by deducting excise duty, Sales Tax (VAT) and Bill Scheme, Discounts, Primary Scheme, Secondary Scheme, Rate Diffrence from "*Gross Sales*" to represent the Net Realisable Sales Turnover. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly. (Since 1st January 2005, the Company does not manufacture goods which are subject to levy of Excise Duty.)
- c Upto financial year ended 31st December 2006, the company has been showing "*Material Cost*" inclusive of Trading Goods in the Profit and Loss Account. From the financial year ended 31st December 2007 the company changed the classification by seprately showing "*Trading Goods*" and "*Manufactured Goods*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.
- d Upto financial year ended 31st December 2005, the company has been including Contract Loading, Delivery Exp, Freight Outward, Van Allowance, Bill Scheme, Discount, Rate Difference, Primary Scheme, Secondary Scheme under the head "*Sales Promotion*" under "*Selling and Distribution Expenses*" in the Profit and Loss Account. From the financial year ended 31st December 2006 the company changed its presentation by regrouping Bill Scheme, Discount, Rate Difference, Primary Scheme, Secondary Scheme from "*Sales Promotion*" and deducting the same from "*Gross Sales*". Further Contract Loading, Delivery Exp, Freight Outward, Van Allowance were regrouped from "*Sales Promotion*" and shown under "*Freight forwarding and other expenses*". The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- e Upto financial year ended 31st December 2006, the company has been showing "*Contract Manufacturing Charges Including Excise*" under the head "*Manufacturing Expenses*" in the Profit and Loss Accounts. From the financial year ended 31st December 2007 the company reclassifying it by showing "*Contract Manufacturing Charges Including Excise*" as part of "*Manufacturing Wages and Salary*" under the same head. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been reclassified and disclosed accordingly.
- f Upto financial year ended 31st December 2006, the company has been showing "*Interest Cost*" as a single component. From the financial year ended 31st December 2007 the company reclassified it by showing seprately interest cost under various heads thereby showing meaningful understanding of intrest cost components. The summary statement of Profit & Loss account as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.

- g Upto the year ended 31st December 2006, the Capital Advances were grouped under "Capital Work in progress" under the head "*Fixed Assets*". From the financial year ended 31st December 2007 these has been regrouped under the head "*Advances recoverable in cash or in kind*" under the head "*Loans & Advances*". The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- h Upto the year ended 31st December 2006, the Creditors for Capital Goods were grouped under "***Sundry Creditors***" From the financial year ended 31st December 2007 these has been reclassified under the head "***Sundry Creditors for Capital Goods***" The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- i Upto the year ended 31st December 2006, "***Letter of Credit and Bills Negotiated by Banks - Outstanding Part***" were grouped under "***Term Loan***" From the financial year ended 31st December 2007 these has been regrouped under the head "***Sundry Creditors for Goods***" The classification in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.
- j Upto the year ended 31st December 2006, "***Advance Taxes & Tax Deducted at Source***" were shown separately. From the financial year ended 31st December 2007 these has been regrouped under the head "***Loans and Advances***". The regrouping in the summary statement of Assets and Liabilities as restated for the financial year ended 31st December 2006, 31st December 2005, 31st December 2004 and 31st December 2003 has been regrouped and disclosed accordingly.

Notes to Accounts for the Year ended 31st December 2007

1) Principles of Consolidations

The Consolidated Financial Statements comprise the consolidated financial statements of Raj Oil Mills Limited ("the Company") and its Subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like material transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c) The difference between the cost of investment in the subsidiary company over the net assets as on the date of acquisition of Shares in the Subsidiary is recognised in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- d) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss account as the profit or loss on disposal of investment in subsidiary.

- e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholder's of the Company.
- f) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- g) During the year 2005, the company has acquired at a cost of Rs. 15 Lakhs 1,50,000 Fully Paid Equity Shares of Rs. 10 /-each in Raj Oil Industries Pvt. Ltd. (ROIPL) representing 75 % of its equity capital. ROIPL became subsidiary of the company w.e.f. 29th January 2005. On 2nd April 2007, the said investments in ROIPL were sold for a consideration of Rs. 17 Lakhs representing a profit of Rs. 2 Lakhs.

2 Secured Loans

- a Term loans, Cash Credit & Letter of Credit facility from a bank is secured by hypothecation of all existing fixed assets of the Company including vehicles, entire stocks and book debts, margin money as may be held by the bank at the time of issue of such Letter of Credit and equitable mortgage of land and building at Village Ten Tal. Palghar, Manor and personal guarantees of following persons a) Shaukat S. Tharadra b) Azamkhan F. Lohani c) Rashid I. Tharadra d) Abdulla K. Musla & e) A. R. Sulia.
 - b Hire Purchase Vehicle loan / Loan against property from the banks / finance companies are secured by the charge on the respective vehicle & property and personal security on flat of a director.
- 3 In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts at which they are stated in the Balance Sheet, if realized in ordinary course of business.
- 4 The balance of sundry debtors, sundry creditors and other parties are subject to confirmation from respective parties.

5 Contingent Liabilities

- a As per the decision of the management, no leave accumulation by employees is allowed hence no Provision has been made for leave outstanding as on the balance sheet date.
- b The company has given corporate guarantee to the extent of Rs. 750 Lakhs (Rs. 750 Lakhs) in respect of loan taken by farmers / VLC from Axis Bank Ltd (erstwhile UTI Bank Ltd.) vide original Bank's sanction letter no. UTIB / 10705 / 2005-06 Dated 7th December 2005. The company will be liable to repay the said loan in case of failure by the farmer to repay the loan to the extent of guarantee given by the company. The said guarantee was revoked on 29th January 2008 and was confirmed by the Axis Bank Ltd..
- c Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 477.48 Lakhs (Nil).
- d During the year the Income Tax Department conducted a survey on 12th December 2007. The company has accepted the capital expenditure of Rs. 245.00 Lakhs, being wrongly shown as book-debts in the books of accounts and accepted to rectify the same in the current year. The department is of the opinion that the same is unaccounted expenditure and added to the income of current year. The management is of the opinion that said addition is not likely to effect the income of the current year.

6 Balance With Non-Schedule Bank held in Current Accounts

**(Rs. In
Lacs)**

Sr.	Name of Bank	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	THE MOGAVEERA CO-OP	1.34	0.20	2.65	0.22	0.09
2	KALYAN JANATA SAHAKARI	0.56	0.56	-	-	-
3	THANE DIST.CO-OPBANK LTD	2.85	3.66	-	-	-

7 Value of Export Sales

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Export Sales	-	249.87	185.65	218.01	13.36

8 Earning in Foreign Currency

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Export at FOB Value	-	244.87	182.53	209.32	12.91

9 Expenditure in Foreign Currency

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Travelling Expenses	-	-	0.88	1.28	9.04

10 Estimated Amount of contract remaining to be executed on capital account and not provided

(Rs. In Lakhs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Unexecuted Contracts	477.48	-	-	172.62	15.30

11 Auditors Remuneration

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Audit Fees	3.93	3.42	3.94	3.31	3.24
2	Tax Audit Fees	0.56	0.57	0.55	0.54	0.54
3	Certification work		-	0.05	0.20	0.02

12 Payment to Directors

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Directors Salary & Contribution to Provident Fund					
a	Managing Directors'	21.00	6.58	6.00	6.00	6.00
b	Whole Time Directors'	11.25	5.20	2.40	2.40	1.40
2	Rent	18.80	-	-	-	-

13 Sundry debtors include Rs. Nil (P.Y. Nil) due from a firm in which some of the relative of directors of the company are partners.

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Amount Due	-	-	60.14	81.11	(1.14)

14 The major component of Deferred tax liability (Net) are given below:

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
-----	------	-----------	-----------	-----------	-----------	-----------

1	Deferred Tax Liability on account of					
	a) Depreciation	166.66	106.61	84.98	80.23	57.36
	b) Deferred Revenue Expenses	2.02	15.12	34.45	64.28	51.60

15 Segment Reporting

As the company's business activity fall within a single primary business segment "**Edible Oil & Cakes**" the disclosures requirement of the Accounting Standard (AS) 17 " *Segment Reporting*" issued by the The Institute of Chartered Accountants of India are not applicable. However it does not have any impact on the true and fair view of the state of affairs in case of Balance Sheet and Profit & Loss account.

16 Installed Capacity and Production

(Qty. in TPA)

Sr.	Capacity	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Crushing					
	Installed	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
	Utilised	2,511.00	2,106.00	1,867.71	1,362.67	1,760.20
	% Utilised	50.22%	42.12%	37.35%	27.25%	35.20%
2	Oil Filtration & Processing**					
	Installed	30,000.00	15,000.00	15,000.00	15,000.00	15,000.00
	Utilised	22,287.39	13,475.00	9,637.47	6,729.33	7,968.22
	% Utilised	74.29%	89.83%	64.25%	44.86%	53.12%
3	Total					
	Installed	35,000.00	20,000.00	20,000.00	20,000.00	20,000.00
	Utilised	24,798.39	15,581.00	11,505.18	8,092.00	9,728.42
	% Utilised	70.85%	77.91%	57.53%	40.46%	48.64%

Notes

- (i) Installed capacity being a technical matter is as certified by the Management of the Company and accepted by the Auditors.
- (ii) The Company's products are exempted from licensing provision under the Industries (Development & Regulation) Act, 1951.
- (iii) Consumption Quantity inclusive of Filtration & Other Losses

** During the financial year ended 31st December 2002, 31st December 2003, 31st December 2004, 31st December 2005 and 31st December 2006 the Company was disclosing Quantitative details with respect to Installed & Utilised Capacity of Crushing facilities. During the same years under consideration, we were also engaged in filtration and processing of edible oil. As per the provisions of 4C of part II of Schedule VI read with Section 211 of the Companies Act, 1956, disclosure in regard to quantitative details with respect to the installed capacity of the both manufacturing facilities as mentioned above is required.

However our company has not disclosed the quantitative details with respect to filtration and processing activities. Our Company shall apply for compounding of the above offence of non disclosure under Section 621A of the Companies Act, 1956.

- 17 To the best of our knowledge and as per the information available with the management Sundry Creditors includes amount due to Small Scale Industrial Undertaking to whom company owes a sum exceeding Rs. 1.00 lakhs and which is outstanding for more than 30, days being in the normal course of business and as per relevant trade terms and conditions are, as follows :-

(Rs. In Lacs)		
Sr.	Name of Party	31/Dec/07
1	Eskay Flexible Packaging Ind.P.Ltd.	12.21

2	Jayant Paper Box Pvt Ltd	7.03
3	Noble Industries	9.27
4	Royal Plast	9.70
5	Sweet Industries	2.28
6	Balaji Blow Print	5.89
Total		46.38

Note

Suppliers / Service Providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have not furnished the information regarding filling of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under section 22 of the said Act is not given. The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the company. The Auditors have relied this upon.

18 Foreign Exchange Fluctuation Loss

(Rs. In Lacs)

Sr.	Type	31/Dec/07	31/Dec/06	31/Dec/05	31/Dec/04	31/Dec/03
1	Foreign Exchange Fluctuation Loss	-	-	0.09	0.49	-

19 We confirm that all the Notes to the Accounts, Significant Accounting Policies and Auditors Qualifications have been incorporated

20 We confirm that there are no other material notes to the Auditors Report which has financial bearing on our company.

Annexure - V

FINANCIAL RATIOS ON RESTATED NUMBERS AND EARNING PER SHARE

(In Rs. Lacs)

Particulars	As on 31st December				
	2007	2006	2005	2004	2003
Net Profit After Tax (NPAT)	1,815.20	681.27	157.69	71.27	86.51
Weighted average no. of equity shares outstanding	17,339,144	8,520,000	7,910,411	6,020,000	5,582,740
Diluted weighted average equity shares outstanding	17,339,144	8,630,000	8,048,911	7,169,500	5,615,140
Net Worth	4,338.89	1,793.60	1,056.33	572.60	436.00

Accounting Ratios

Return on Total Assets (%)	19.40%	14.74%	5.20%	2.29%	2.97%
Return on Equity (%)	41.84%	37.98%	14.93%	12.45%	19.84%
Net Assets Value Per Equity Share	23.47	21.05	12.40	9.51	7.24

Earning Per Share

- Basic	10.47	7.97	1.95	1.18	1.55
- Cash	11.15	9.54	3.73	3.04	3.40
- Diluted	10.47	7.86	1.95	0.99	1.54

Notes :-

- A** Earning Per Share has been adjusted for the year presented.
B Earning Per Share and Return On Net Worth is annualised.

Ratio has been computed as follows:

1	Return on Total Assets (%)	<u>Profit After Tax</u> Total Fixed Assets including Investments and Current Assets & Loans & Advances
2	Return on Equity (%) (ROE)	<u>Net profit after tax as restated</u> Net Worth at the end of the year
3	Net Asset Value Per Share (NAV) (Rs.)	<u>Net Worth at the end of the year</u> No. of Equity shares outstanding during the year
4	Earning Per Share (EPS) (Rs.)	Net profit after tax as restated attributable to Equity Shareholders Weighted average no. of Equity shares outstanding during the year

GROUP ENTITIES

M/S. RAJ OIL MILLS

M/s. Raj Oil Mills was formed as partnership firm vide Registration No. B -8203 on February 18, 1959 in the State of Maharashtra. Its office is located at Military Road, Marol, Mumbai – 400 059. Currently the firm is engaged in business of builder and developers.

Partners' Sharing Ratio

Sr. No.	Name of Partners	Profit Sharing Ratio
1.	Mr. Shaukat S. Tharadra	50%
2.	Mr. Rashid I. Tharadra	25%
3.	Mr. Azamkhan F. Lohani	25%
	Total	100%

Financial Performance

(Rs. in lacs)			
Particulars as on Financial Year ended March 31,	2007	2006	2005
Total Income	11.88	22.54	20.38
Profit After Taxation	6.77	0.47	(143.15)
Partners' Capital	(53.07)	(44.81)	18.19

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against this firm, or its partners. There is no litigation pending, in which this firm or its partners are involved as on date of filing this Draft Red Herring Prospectus with SEBI.

M/S. RAJ BUILDERS

M/s. Raj Builders was formed as partnership firm on May 25, 2006 in the State of Maharashtra. Its Office is located at Bellasis Road, Mumbai – 400 008. Currently the firm is engaged in the business of property development.

Partners' Sharing Ratio

Sr. No.	Name of Partners	Profit Sharing Ratio
1.	Mr. Shaukat S. Tharadra	50%
2.	Mr. Dinesh D. Chandra	25%
3.	Mr. Mahesh S. Patel	12.5%
4.	Mr. Govind Gopal Patel	12.5%
	Total	100%

Financial Performance

(Rs. in lacs)	
Particulars as on Financial Year ended March 31,	2007
Total Income	-
Profit After Taxation	(7.90)
Partners' Capital	233.05

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences against this firm, or its partners. There is no litigation pending, in which this firm or its partners are involved as on date of filing this Draft Red Herring Prospectus with SEBI.

DISASSOCIATED COMPANIES / FIRMS / VENTURES

Raj Oil Industries Pvt. Ltd.

Raj Oil Industries Pvt. Ltd. was incorporated on December 23, 1997 under the Companies Act, 1956 vide Reg. No. 11-112638 with the main objects to carry on the business of extracting oil, either by crushing, pressing or by chemical process. Raj Oil Mills Ltd. sold their shareholding w.e.f. April 2, 2007. Since then, it has ceased to be our subsidiary and group company.

Raj Oil Mills (Mumbai) Pvt. Ltd.

Raj Oil Mills (Mumbai) Pvt. Ltd. was incorporated on May 29, 1991 under the Companies Act, 1956 Vide Reg. No. 11-61860 with the main objects to carry on the business of extracting oil, either by crushing, pressing or by chemical process. However it has not carried out any business activities since its inception. Mrs. Shahida Shaukat Tharadra has sold her shareholding w.e.f. April 5, 2007. Since then, it has ceased to be our group company.

Raj Oil Trading Company Pvt. Ltd.

Raj Oil Trading Company Pvt. Ltd. was incorporated on May 22, 1996 under the Companies Act, 1956 Vide Reg. No. 11-99739 with the main objects to acquire and takeover as a going concern the business now being carried on under the name of M/s Raj Oil Trading Company and buyer seller importers exporters distributors wholesalers retailers manufacturers processors reproducers and dealers in edible oil, vegetable oil. However it has not carried out any business activities since its inception. Mrs. Shahida Shaukat Tharadra has sold her shareholding w.e.f. April 5, 2007. Since then, it has ceased to be our group company.

Raj Oil Traders Pvt. Ltd.

Raj Oil Traders Pvt. Ltd. was incorporated on May 22, 1996 under the Companies Act, 1956 Vide Reg. No. 11-99747 with the main objects to acquire and takeover as a going concern the business now being carried on under the name of M/s Raj Oil Traders and buyer seller importers exporters distributors wholesalers retailers manufacturers processors reproducers and dealers in edible oil, vegetable oil. However it has not carried out any business activities since its inception. However, it has not carried out any business activities since its inception. Mrs. Shahida Shaukat Tharadra has sold her shareholding w.e.f. April 5, 2007. Since then, it has ceased to be our group company.

Raj Oil Centre Pvt. Ltd.

Raj Oil Traders Pvt. Ltd. was incorporated on May 22, 1996 under the Companies Act, 1956 Vide Reg. No. 11-99749 with the main objects to acquire and takeover as a going concern the business now being carried on under the name of M/s Raj Oil Centre and buyer seller importers exporters distributors wholesalers retailers manufacturers processors reproducers and dealers in edible oil, vegetable oil. However it has not carried out any business activities since its inception. Mrs. Shahida Shaukat Tharadra has sold her shareholding w.e.f. April 5, 2007. Since then, it has ceased to be our group company.

Raj Oil Trading

Raj Oil Trading was formed as a partnership firm vide Registration No. BA 86121 on July 1, 1999 in the state of Maharashtra. Its Office is located at 230 - 232 Bellasis Road Mumbai – 400 008. The main objects of the firm are to act as buyer, seller, distributors and wholesalers in edible oil, vegetable oil and any other related goods. Mrs. Shahida Shaukat Tharadra has resigned w.e.f. April 1, 2006. Since then, it has ceased to be our group company.

Raj Oil Traders

Raj Oil Traders was formed as a partnership firm vide Registration No. B - 146124 on June 15, 1979 in the state of Maharashtra. Its Office is located at 9/A Patel Shopping Centre, Chandrawarkar Road, Borivali (W) Mumbai – 400 092. The main objects of the firm are to act as buyer, seller, distributors and wholesalers in edible oil, vegetable oil and any other related goods. Mrs. Shahida Shaukat Tharadra has resigned w.e.f. March 31, 2006. Since then, it has ceased to be our group company.

Raj Oil Centre

Raj Oil Centre was formed as a partnership firm on October 1, 2004 in the state of Maharashtra. Its Office is located at Shreyas Building, J.P. Road, Andheri (W), Mumbai – 400 008. The main objects of the firm are to act as buyer, seller, distributors and wholesalers in edible oil, vegetable oil and any other related goods. Mrs. Shahida Shaukat Tharadra has resigned w.e.f. March 31, 2006. Since then, it has ceased to be our group company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with section titled “Financial Statements” and the section titled “Risk Factors” starting from page no. [●] and [●] respectively in this Draft Red Herring Prospectus. The following discussion relates to the Company and unless otherwise stated, is based on our restated financial statements prepared on the basis of Indian Accounting Practices and in accordance with the Companies Act, 1956 and the SEBI Guidelines.

GLOBAL SCENARIO OF EDIBLE OIL INDUSTRY

India is the one of the largest consumer and importer of edible oil in the world, next only to China and the US. India imports palm oil mainly from Malaysia and Indonesia and soyabean oil from Argentina and Brazil. While the US has a strong domestic consumption base and mostly exports soyabean seeds in addition to oil, Argentina and Brazil exports much of their production, mostly in the form of crude oil.

Crude Palm Oil, Crude Palmolein, RBD (refined, bleached, deodorized) Palm Oil, RBD Palmolein and Crude Palm Kernel Oil, Crude Soya Oil and refined Soya Oil are the various edible forms of oil traded. Soyabean Oil is the leading vegetable oil traded in the international markets, next only to palm.

(Source: FAO)

INDIAN EDIBLE OIL INDUSTRY

In ancient times, vegetable oils were obtained by crushing oilseeds in village ghanis/ kolhus/ chekkus in the country. At the beginning of the 20th century, the vegetable oils industry was based on some 500,000 bullock-driven ghanis producing about 800,000 tonnes of oils. Slowly, in addition to these ghanis, power-driven ghanis (rotary ghanis made indigenously), imported expeller and imported hydraulic press plants started crushing oilseeds.

The size of the Indian oilseeds-based sector is estimated at US\$ 16.5 billion (inclusive of exports and imports). India is the world's fourth largest vegetable oil economy. Currently, India accounts for 7.4% of world oilseeds output; 6.1% of world oil meal production; 3.9% of world oil meal export; 5.8% of world veg oil production; 11.2% of world vegetable oil import; and 9.3% of the world edible oil consumption (Source: Oil World). The estimated land under cultivation for oilseed in India is 25 – 26 million hectares.

India's annual consumption is around 12 million tonnes vis-à-vis China's 14.5 million tonnes. However, India's per capita consumption is considerably lower compared to global standards. Since 1995, Indian share in world production of oilseeds has been around 8-10%. By 2010, India's total requirement of edible oils for the projected population of 1.25 billion at the projected per capita consumption of about 15 kg per annum is expected to be around 19 mt., which is equivalent to an estimated 57 mt. of oilseeds.

(Source: National Manufacturing Competitiveness Council)

Please refer to the section titled “Industry Overview” starting from page no. [●] for further detail of this Draft Red Herring Prospectus.

Overview of our Business

Raj Oil Mills Ltd was incorporated on October 17, 2001. In 2002, our Company acquired business of M/s Raj Oil Mills, partnership firm, vide Deed of Assignment with effect from April 1, 2002. As per the assignment, Land and Building and intangibles viz. Brands, Trademarks and Copyrights were not assigned. In the year 2005, our Company shifted factory premises from Military Road, Marol, Andheri (East), Mumbai - 400 059 to village Ten, Manor, taluka Palghar, district Thane – 401 404

At present, our Company is engaged in the business of Crushing and Oil Filtration with a capacity of 5000 TPA and 30000 TPA respectively.

We market our products under the following brands:

- Cocoraj (Coconut Oil)
- Cocoraj Cool (Ayurvedic Oil)
- Guinea Groundnut Oil (Double Filtered Oil)
- Guinea Lite Groundnut Oil (Refined Oil)
- Guinea Lite Sunflower Oil (Refined Oil)
- Guinea Lite Cottonseed Oil (Refined Oil)
- Guinea Lite Soyabean Oil (Refined Oil)
- Tilraj Til Oil
- Mustraj Mustard Oil

Our aforementioned products are sold under three umbrella brands viz., ‘Cocoraj’, ‘Guinea’ and ‘Raj’. These brands are in existence for more than 5 decades.

Our Company acquired all intangible property viz. Brands, Trademarks and Copyrights from M/s Raj oil Mills, partnership firm vide various agreement dated December 13, 2007, December 17, 2007, December 20, 2007, December 26, 2007 and December 31, 2007. Thus following brands, ‘Cocoraj’, ‘Guinea’ and ‘Raj’ became part of our Company. The said transfer was done at total consideration of Rs. 5555 (Rupees Five thousand five hundred and fifty five only)

Considering the growth prospects in this segment and to consolidate our position in the market place, we intend to diversify ourselves into manufacture of other products and also to forward integrate by setting up a facility for refining, from the proceeds of the proposed issue. Further, the expansion of crushing capacity would reduce our dependence on third party oil seeds crushers. On completion of this project, our company will be in a position to offer a wide product range and complete value chain in edible oil. Also, we will be in a position to market our products pan India by leveraging our brands and by strengthening our marketing and distribution facilities.

Significant developments subsequent to the last financial statements

There has been no occurrence of any event or circumstance since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus that may materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next twelve months other than the following preferential allotments of equity shares made by our Company:

Date of Allotment	No.of Equity shares	Consideration	Issue Price (Rs.)	Face Value (Rs.)	Premium (Rs.)
January 8, 2008	8,33,000	Cash	10	10	-
January 11, 2008	50,00,000	Cash	10	10	-
February 28, 2008	3,36,500	Cash	50	10	40
March 25, 2008	3,50,400	Cash	50	10	40

Factors that may affect our results of the operations

Our financial conditions and results of operations are affected by numerous factors inter alia -

- Growth of unorganized sector and threat from local regional players
- Change in freight and forwarding charges
- General economic and business conditions;
- Our Company’s ability to successfully implement our growth strategy;
- Prices of raw materials we consume and the products we manufacture;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceedings in which our Company is involved; and
- The loss or shutdown of operations of our Company at any time due to strike or labour unrest or any other reason.
- Withdrawal of any tax benefits available to our Company

Our Results of Operations

The Breakup of Revenue and Costs of Company is as given below:

(Rs.in lacs)

Particulars	As At 31st December									
	2007		2006		2005		2004		2003	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
INCOME										
Sales- Manufactured Goods	21,738.54	100.00%	11,025.87	100.00%	8,001.43	100.00%	6,842.06	100.00%	6,639.65	100.00%
EXPENDITURE										
Material Cost	17,459.87	80.32%	8,693.75	78.85%	6,670.46	83.37%	5,953.58	87.01%	5,891.97	88.74%
Manufacturing Expenses	152.99	0.70%	134.7	1.22%	115.68	1.45%	73.12	1.07%	105.75	1.59%
(Increase)/Decrease in Inventory	-74.2	-0.34%	-16.28	-0.15%	29.56	0.37%	53.25	0.78%	-49.39	-0.74%
Gross Margins of Manufactured Goods sold	4,199.88	19.32%	2,213.70	20.08%	1,185.73	14.82%	762.11	11.14%	691.32	10.41%
Sales- Traded Goods	2,170.98	100.00%	973.12	100.00%	346.04	100.00%	1,117.21	83.67%	6,709.06	99.80%
Export Sales	0	-	0	0.00%	0	0.00%	218.01	16.33%	13.36	0.20%
Total Trading Incomes	2,170.98	100.00%	973.12	100.00%	346.04	100.00%	1,335.22	100.00%	6,722.42	100.00%
Net Cost of Traded Goods	1,925.30	88.68%	877.82	90.21%	314.98	91.03%	1,059.57	79.36%	6,302.63	93.76%
Gross Margins of Traded Goods sold	245.68	11.32%	95.3	9.79%	31.06	8.97%	275.65	20.64%	419.8	6.24%
Total Sales	23,909.52	99.96%	11,998.99	99.95%	8,347.46	99.90%	8,177.29	99.80%	13,362.08	99.90%
Other Income	8.39	0.04%	6.09	0.05%	8.2	0.10%	16.46	0.20%	13.32	0.10%
Total Income	23,917.92	100.00%	2,005.08	100.00%	8,355.66	100.00%	8,193.75	100.00%	13,375.40	100.00%
Cost of Manufactured / Traded Goods	19,463.96	81.38%	9,689.99	80.72%	7,130.68	85.34%	7,139.52	87.13%	12,250.95	91.59%
Total Gross Margin	4,453.96	18.62%	2,315.10	19.28%	1,224.98	14.66%	1,054.23	12.87%	1,124.44	8.41%
Payment & Provision for Employees	460.65	1.93%	373.09	3.11%	242.28	2.90%	270.79	3.30%	247.25	1.85%
Administrative and Other Expenses	375.11	1.57%	247.32	2.06%	255.43	3.06%	220	2.68%	246.62	1.84%
Selling and Distribution Expenses	405.35	1.69%	407.89	3.40%	306.53	3.67%	184.2	2.25%	272.32	2.04%
EBIDTA	3,212.84	13.43%	1,286.80	10.72%	420.75	5.04%	379.25	4.63%	358.25	2.68%
Finance Cost	292.77	1.22%	168.56	1.40%	193.61	2.32%	217.32	2.65%	210.32	1.57%
Depreciation & Amortisation	79.42	0.33%	73.28	0.61%	61.41	0.73%	46.1	0.56%	43.51	0.33%
PROFIT BEFORE TAX	2,840.65	11.88%	1,044.96	8.70%	165.73	1.98%	115.82	1.41%	104.42	0.78%
Add / (Less) : Prior Period Items	-		-		-		-		-	
PROFIT BEFORE TAX	2,840.65	11.88%	1,044.96	8.70%	165.73	1.98%	115.82	1.41%	104.42	0.78%
Add / (Less) : Provision for Tax										
Current Tax	-978.5	-4.09%	-370.25	-3.08%	-35.5	-0.42%	-9	-0.11%	-	0.00%
Deferred Tax Liability / (Assets)	-46.95	-0.20%	-2.3	-0.02%	25.08	0.30%	-35.55	-0.43%	-17.91	-0.13%
PROFIT AFTER TAX	1,815.20	7.59%	672.41	5.60%	155.31	1.86%	71.27	0.87%	86.51	0.65%

Note: The Figures given above has been reclassified, rearranged and re-casted wherever considered necessary to reflect the operation of the Company on the basis of a uniform practice.

Total Income

Our revenue has grown from 13,375.40 lacs in FY 2003 to Rs. 23,917.92 lacs in FY 2007 resulted in a CAGR of 15.64%. This is mainly due to increase in capacity (20,000 TPA in FY 2006 to 35,000 TPA in FY 2007), profitable product mix, deep penetration in the state of Maharashtra through a wider reach to direct consumers and strengthening of marketing network, focusing on value added products and also transforming from traded to manufactured goods. The increase in value of sales can be further attributed to increase in selling price and volume of sales. Our Company further introduced various incentive schemes for distributors, stockiest, retailers, consignee and consumers. The value of sales shown in the financials are after deducting value based incentive schemes.

Material Consumed

Materials as a percentage of Sale - Manufactured Goods have reduced significantly from 88.74% in FY 2003 to 80.32% for FY 2007. Our principal raw materials for the production are crude edible oil and copra. As these raw materials are seasonal in nature, our Company procured the raw material at appropriate times, hence was able to lower the procurement cost of materials. Also the wastage in production has decreased due to increased automation leading to relatively lower raw material requirements.

Material as a percentage of Sale - Traded Goods have reduced significantly from 93.76% in FY 2003 to 88.68% for FY 2007. This reduction in procurement cost is due to better purchasing power including cash and trade discounts, inventory controls, significant change in product mix and change in selling pattern.

Manufacturing Expenses

The principal manufacturing expenses are labour & other work related charges, power and fuel, and repair and maintenance. Manufacturing expenses as a percentage of total income have declined from 1.59% in 2003 to 0.70% in 2007. This reduction is on account of the economies of scale of increased capacities of automated plant and machineries, which require lower consumption of power and minimal manpower. This is due to the fact that, once production reaches a certain minimum level, the manufacturing expenses necessary to produce additional output do not increase proportionately with increases in output. With further increase in our capacities and high capacity utilization, we expect manufacturing expenses as a proportion of total income to decrease in the long term.

♦ Employees Cost

The employee cost increased from Rs. 247.24 lacs, which is 1.85% of Total Income in the FY 2003 to Rs. 460.65 lacs, which is 1.93% of Total Income in FY 2007. The increase in the employee cost is as per the expansion plans of our Company and commensurate with the overall objective of growth through the medium of increase in selling and marketing personnel which is likely to benefit in future. From a sales and marketing strength of 133 employees in FY 2003 to 190 employees in FY 2007, shows the increased market penetration of our Company.

♦ Administrative Cost

The administrative cost increased from Rs. 246.62 lacs, which is 1.84% of Total Income in the FY 2003 to 375.11 lacs, which is 1.57% of Total Income in the FY 2007.

♦ Selling and Distribution Cost

The selling and distribution expenses comprises primarily of Freight Charges, Advertisement and Media Expenses, Entry Taxes & Agriculture Producers Market Committee expenses and commission charges. The Selling and Distribution cost increased from Rs. 272.32 lacs which is 2.04% of Total Income in the FY 2003 to 405.35 lacs, which is 1.69% of Total Income in the FY 2007. Increase in Selling and Distribution cost is in line with the increase in the Turnover of our Company and overall efficient logistic management, planned distribution and competitive and incentive based commission system, which is in process of being discontinued. Increase in advertisement expenses have helped strengthen the brand image in the market.

♦ Profit before Tax, Interest and Depreciation

EBITDA has increased from 358.25 lacs which is 2.68% of Total Income in FY 2003 to Rs. 3,212.84 lacs in the FY 2007 which is 13.43% of Total Income and overall registering a growth of about nine times. Due to strict cost cutting measures undertaken by our Company and economics of scale due to increase in capacity, we have been able to control our Manufacturing & Administrative Expenses.

♦ Interest

Net interest expenditure has increased from Rs. 210.32 lacs, which is 1.57% of Total Income in the FY 2006 to Rs. 292.77 lacs, which is 1.22% of Total Income in the FY 2007. Term Loan of our Company has decreased from Rs. 709.41 lacs in FY 2003 to Rs. 434.36 lacs in FY 2007. Our Company tries to minimize the use of external working capital or loans for its expansions and tries to optimally utilize its own internal accruals for financing its working capital and long term requirement and controlling the overall interest cost.

♦ Depreciation

The depreciation cost increased from Rs. 43.51 lacs in the FY 2003 to Rs. 79.42 lacs in the FY 2007. The increase is due to ongoing addition of capital assets as per the expansion plans of our Company.

♦ Net Profit

Net Margins have increased from 0.65% in FY 2003 to 7.59% in FY 2007. The Net Profit of our Company has increased from Rs. 86.51 lacs in FY 2003 to Rs. 1815.20 lacs in FY 2007.

COMPARISON OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY FOR THE PAST THREE YEARS

Comparison of FY 2007 with FY 2006

Particulars	(Rs. In lacs)		
	For the year ended on December 31,		
	2007	2006	Change
INCOME			
Sales - Manufactured Goods	21,738.54	11,025.87	97.16%
EXPENDITURE			
Material Cost	17,459.87	8,693.75	100.83%
Manufacturing Expenses	152.99	134.70	13.57%
(Increase)/Decrease in Inventory	(74.20)	(16.28)	355.72%
Gross Margins of Manufactured Goods sold	4,199.88	2,213.70	89.72%
Sales - Traded Goods	2,170.98	973.12	123.10%
Export Sales	-	-	-
Total Trading Incomes	2,170.98	973.12	123.10%
Net Cost of Traded Goods	1,925.30	877.82	119.33%
Gross Margins of Traded Goods sold	245.68	95.30	157.79%
Total Sales	23,909.52	11,998.99	99.26%
Other Income	8.39	6.09	37.79%
Total Income	23,917.92	12,005.08	99.23%

Cost of Manufactured / Traded Goods	19,463.96	9,689.99	100.87%
Total Gross Margin	4,453.96	2,315.10	92.39%
Payment & Provision for Employees	460.65	373.09	23.47%
Administrative and Other Expenses	375.11	247.32	51.67%
Selling and Distribution Expenses	405.35	407.89	(0.62)%
EBIDTA	3,212.84	1,286.80	149.68%
Finance Cost	292.77	168.56	73.69%
Depreciation & Amortisation	79.42	73.28	8.38%
PROFIT BEFORE TAX	2,840.65	1,044.96	171.84%
Add / (Less): Prior Period Items	-	-	
PROFIT BEFORE TAX	2,840.65	1,044.96	171.84%
Add / (Less): Provision for Tax			
Current Tax	(978.50)	(370.25)	164.28%
Deferred Tax Liability / (Assets)	(46.95)	(2.30)	1941.30%
PROFIT AFTER TAX	1,815.20	672.41	169.95%

♦ Total Income

The total income of our Company for FY 2007 stood at Rs. 23,917.92 lacs compared to Rs.12,005.08 lacs in FY 2006 showing an increase of almost 99.22% over previous year.

During FY 2007 our Company has registered sales of manufactured goods to the tune of Rs. 21,738.54 lacs as against Rs. 11,025.87 lacs achieved during FY 2006 increase of 97.17%. Our Company had achieved Rs. 2,170.98 lacs as compared to Rs. 973.12 lacs of traded goods increase of 123.09% to generate additional margin towards net profit. Our Company' performance has improved due to better capacity utilization (Installed capacity was increased from 20,000 TPA in FY 2006 to 35,000 TPA in FY 2007) and improved sales realization.

♦ Material Consumed

The cost of material has increased from Rs. 8,693.75 lacs in FY 2006 to Rs. 17,459.87 lacs in FY 2007, an increase of 100 % over the previous year. The increase in cost of material is due to increase in volumes by way of production and sales.

♦ Employees Cost

The employee cost increased from Rs. 373.09 lacs in the FY 2006 to Rs. 460.65 lacs in FY 2007. This increase of 24% is on account of increase in number of sales and marketing personnel which have contributed mainly for increase in the business of our Company.

♦ Administrative Cost

The administrative cost increased from Rs. 247.32 lacs in the FY 2006 to 375.11 lacs in FY 2007 an increase of 51%.

♦ Selling and Distribution Cost

The Selling and Distribution cost increased from Rs. 407.89 lacs in the FY 2006 to Rs. 405.35 lacs in FY 2007. Our Company was able to maintain similar expense on increased volume on account of reduced dependence on stockist.

♦ Profit before Tax, Interest and Depreciation

EBITDA has increased from 1,286.80 Lacs in FY 2006 to Rs. 3,212.84 Lacs in the FY 2007, thus registered the growth of 150% as compared to previous year.

The growth in sales was achieved by increase in volume, better product mix, control over expenses by reducing inventory and improving raw material procurement. Company has also implemented ERP to have better control over production.

♦ Interest

Net interest expenditure has increased from Rs. 168.56 Lacs in the FY 2006 to Rs. 292.77 Lacs in the FY 2007. Term Loan of Our Company has increased from 92.89 Lacs to 434.36 Lacs during the current year. The increase in Term Loan is on account of Capital Expenditure by our Company for increasing the installed capacity from 20,000 MTPA in FY 2006 to 35,000 MTPA in FY 2007.

♦ Depreciation

The depreciation cost increased from Rs. 73.28 Lacs in the FY 2006 to 79.42 Lacs in the FY 2007.

♦ Net Profit

The Net Profit of our Company has increased from Rs. 672.41 Lacs in FY 2006 to Rs. 1,815.20 Lacs in the FY 2007 thus growth of 169% over the last year, this was attributed due to interest factors remain same and better control over debtors and realization of sales proceeds in appropriate time.

Comparison of FY 2006 with FY 2005- Reason for Variance

Particulars	(Rs. in lacs)		
	As At 31st December		
	2006	2005	Change
INCOME			
Sales- Manufactured Goods	11,025.87	8,001.43	37.80%
EXPENDITURE			
Material Cost	8,693.75	6,670.46	30.33%
Manufacturing Expenses	134.70	115.68	16.45%
(Increase)/Decrease in Inventory	(16.28)	29.56	-155.07%
Gross Margins of Manufactured Goods sold	2,213.70	1,185.72	86.70%
Sales- Traded Goods	973.12	346.04	181.22%
Export Sales	-	-	-
Total Trading Incomes	973.12	346.04	181.22%
Net Cost of Traded Goods	877.82	314.98	178.69%
Gross Margins of Traded Goods sold	95.30	31.06	206.87%
Total Sales	11,998.99	8,347.46	43.74%
Other Income	6.09	8.20	-25.68%
Total Income	12,005.08	8,355.66	43.68%
Cost of Manufactured / Traded Goods	9,689.99	7,130.68	35.89%
Total Gross Margin	2,315.10	1,224.98	88.99%
Payment & Provision for Employees	373.09	242.28	53.99%
Administrative and Other Expenses	247.32	255.43	-3.17%
Selling and Distribution Expenses	407.89	306.53	33.07%
EBIDTA	1,286.80	420.75	205.84%
Finance Cost	168.56	193.61	-12.94%
Depreciation & Amortisation	73.28	61.41	19.34%
PROFIT BEFORE TAX	1,044.96	165.73	530.52%
Add / (Less): Prior Period Items	-	-	-
PROFIT BEFORE TAX	1,044.96	165.73	530.52%
Add / (Less): Provision for Tax			
Current Tax	(370.25)	(35.50)	942.96%
Deferred Tax Liability / (Assets)	(2.30)	25.08	-109.17%
PROFIT AFTER TAX	672.41	155.31	332.95%

◆ Sales

The turnover of our Company has increased by 38% over previous year. During the FY 2006 our Company has registered sales of manufactured goods to the tune of Rs. 11,025.87 Lacs as against Rs. 8,001.43 Lacs achieved during FY 2006 the previous financial year. Our Company had achieved Rs. 973.12 Lacs as compared to Rs. 346.04 Lacs of traded goods to generate additional margin towards net profit.

◆ Material Consumed

The cost of material manufactured has increased from Rs. 6,815.17 Lacs in the FY 2005 to Rs. 8,812.17 in FY 2006. The cost of traded goods has increased from Rs. 314.98 Lacs in the FY 2005 to Rs. 877.82 Lacs in FY 2006.

◆ Employees Cost

The employee cost increased from Rs. 242.28 Lacs in the FY 2005 to Rs. 373.09 Lacs in the FY 2006. Our Company has strengthened Marketing by appointing additional marketing team. Our Company has set up own distributors in various states.

◆ Administrative Cost

The administrative cost decreased from Rs. 255.43 Lacs in the FY 2005 to 247.32 Lacs in the FY 2006.

◆ Selling and Distribution Cost

The Selling and Distribution cost increased from Rs. 306.53 Lacs in the FY 2005 to 407.89 Lacs in the FY 2006. The increase was 33.07% due to strengthening the Marketing team and increase in advertisement expenses.

◆ Profit before Tax, Interest and Depreciation

EBITDA has increased from 420.75 Lacs in FY 2005 to 1,286.80 Lacs in FY 2006, year thus registering growth of 205.84% over previous year. This was attributed due increase in sale volume, better control over various expenses as company has adopted budgeting policy and management and cost audit to control and economy scale of operation,

◆ Interest

Net interest expenditure has decreased from Rs. 193.61 Lacs in the FY 2005 to 168.56 Lacs in the FY 2006. Term Loan of our Company has decreased from 526.02 Lacs to 92.89 Lacs during the current year.

◆ Depreciation

The depreciation cost increased from Rs. 61.41 Lacs in the FY 2005 to Rs. 73.28 Lacs in the FY 2006.

◆ Net Profit

The Net Profit of our Company has increased from Rs. 155.31 Lacs in FY 2005 to Rs. 672.41 Lacs in FY 2006, thus registering growth of 332.95% over the previous year.

Comparison of FY 2005 with FY 2004 - Reason for Variance

Particulars	As At 31st December		
	2005	2004	Change
INCOME			
Sales- Manufactured Goods	8,001.43	6,842.06	16.94%
EXPENDITURE			
Material Cost	6,670.46	5,953.58	12.04%
Manufacturing Expenses	115.68	73.12	58.21%
(Increase)/Decrease in Inventory	29.56	53.25	-44.47%
Gross Margins of Manufactured Goods sold	1,185.72	762.12	55.58%
Sales- Traded Goods	346.04	1,117.21	-69.03%
Export Sales	-	218.01	-
Total Trading Incomes	346.04	1,335.22	-74.08%
Net Cost of Traded Goods	314.98	1,059.57	-70.27%
Gross Margins of Traded Goods sold	31.06	275.65	-88.73%
Total Sales	8,347.46	8,177.29	2.08%
Other Income	8.20	16.46	-50.21%
Total Income	8,355.66	8,193.75	1.98%
Cost of Manufactured / Traded Goods	7,130.68	7,139.52	-0.12%
Total Gross Margin	1,224.98	1,054.23	16.20%
Payment & Provision for Employees	242.28	270.79	-10.53%
Administrative and Other Expenses	255.43	220.00	16.10%
Selling and Distribution Expenses	306.53	184.20	66.41%
EBIDTA	420.75	379.25	10.94%
Finance Cost	193.61	217.32	-10.91%
Depreciation & Amortisation	61.41	46.10	33.19%
PROFIT BEFORE TAX	165.73	115.82	43.09%
Add / (Less) : Prior Period Items	-	-	
PROFIT BEFORE TAX	165.73	115.82	43.09%
Add / (Less): Provision for Tax			
Current Tax	(35.50)	(9.00)	294.44%
Deferred Tax Liability / (Assets)	25.08	(35.55)	-170.55%
PROFIT AFTER TAX	155.31	71.27	117.91%

♦ Sales

The turnover of our Company has increased by 17% over previous year. During FY 2005 our Company has registered sales of manufactured goods to the tune of Rs. 8,001.43 Lacs as against Rs. 6,842.06 Lacs achieved during FY 2004. Our Company has also achieved turnover of Rs. 346.04 Lacs as compared to Rs. 1,117.21 Lacs on account of traded goods.

♦ Material Consumed

The cost of material manufactured increased from Rs. 6079.94 Lacs in the FY 2004 to Rs. 6,815.17 in FY 2005. The cost of traded goods has decreased from Rs. 1,059.57 Lacs in the FY 2004 to Rs. 314.98 Lacs in the FY 2005.

♦ Employees Cost

The employee cost decreased from Rs. 270.79 Lacs in the FY 2004 to 242.28 Lacs in the FY 2005.

♦ Administrative Cost

The administrative cost increased from Rs. 220.00 Lacs in the FY 2004 to 255.43 Lacs in the FY 2005 thus increase of 16.10% over the previous year.

♦ Selling and Distribution Cost

The Selling and Distribution cost increased from Rs. 184.20 Lacs in the FY 2004 to 306.53 Lacs in the FY 2005 increase of 66.41% over the previous year this was due to increase in advertisement expenses and Product development expenses.

♦ Profit before Tax, Interest and Depreciation

EBITDA has increased from 379.25 Lacs in FY 2004 to 420.75 Lacs in FY 2005, thus registered the growth of 11% as compared to previous year.

♦ Interest

Net interest expenditure has decreased from Rs. 217.32 Lacs in the FY 2004 to 193.61 Lacs in the FY 2005. Term Loan of our Company has decreased from 794.20 Lacs to 526.02 Lacs over the previous year.

♦ Depreciation

The depreciation cost increased from Rs. 46.10 Lacs in the FY 2004 to 61.41 Lacs in the FY 2005. The increase in depreciation is on account of addition of capital assets.

♦ Net Profit

The Net Profit of our Company has increased from Rs. 71.27 Lacs in FY 2004 to Rs. 155.31 Lacs in FY 2005 thus registering a growth of 117.91% over the previous year this was attributed mainly on account of better sales realization, improving procurement and overhead cost.

Other Factors:

• Known trends or uncertainties

There have not been any discernible known negative trends or uncertainties, which could adversely impact the income or revenue from continuing operations.

• Increase in net sales or revenue is due to increased sales volume, introduction of new products or increase in sales price.

Increase in sales is solely linked to increase in volume of manufacturing activity carried out by our Company.

• Future relationship between costs and revenues

Our Company doesn't see substantial increase in labour cost or other cost related to the product except that raw material prices may go up in near future due to rise in commodity prices. However; any increase in raw material prices would be duly covered in the sales price of the product. Further other than as described in the section titled "Risk Factors" and "Management Discussion and Analysis of Financial Conditions and Results of Operations in this Draft Red Herring Prospectus, to our knowledge there are no factors which may affect our future cost.

• Total turnover of each major industry in which our Company operated

Our Company operates in only one Industry Segment i.e. "Edible Oil".

- **New Products**

Our Company has introduced value added product like “Cocoraj Cool” Ayurvedic Oil during the past one year and has plans to launch other variants of the same product. Our Company has already conducted the clinical tests and started marketing campaign for the same.

- **Seasonality of business**

The business in which our Company is engaged in not seasonal, however, the raw materials are seasonal in nature. Our Company has made adequate arrangement for warehousing to store raw material.

- **Dependence on Single or few suppliers/Customers**

The Customer base of our Company is very strong as it doesn't deal with single customer or single supplier. Our Company has very good customer base with whom our Company is dealing for quite a long time and our Company has very cordial relationship with all customers and suppliers.

- **Significant developments subsequent to last financial year.**

In the opinion of the Directors, there are no significant changes since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus and which could materially affect the operations and Profitability of our Company.

- **Adverse events**

There are no adverse events affecting the operations of our Company occurring within one year prior to the date of filing of the Prospectus with the BSE & NSE

Competitive Conditions

We may face stiff competition from existing players in edible oil industry in India like K.S. Oil, Sanwaria Agro Oil, Kirti Industries and other small unorganized players. Since we are operating this business for more than five decades in the same industry therefore it is suitably placed to have a competitive advantage edge over its competitors.

Competitive Conditions

We may face stiff competition from existing players in edible oil industry in India like K.S. Oil, Sanwaria Agro Oil, Kirti Industries and other small unorganized players. Since we are operating this business for more than five decades we have competitive edge over its competitors.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company or our Directors or our Promoter 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 or Subsidiaries or Group companies and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter or Directors.

OUTSTANDING LITIGATIONS INVOLVING OUR COMPANY

FILED AGAINST OUR COMPANY

Litigation involving Criminal Laws

Cases under Prevention of Food and Adulteration Act, 1954

- A] (i) Mr. S. K. Shere, Food Inspector attached to the Food and Drug administrator has filed a criminal case against our Company u/sec 2[ia] and 2[ia] and [m] of the act a/w section 7 r/w rule 1[e] of Prevention of Food Adulteration Rules, 1955 and the matter is pending on the file of the Id. JMFC (Judicial Magistrate First Class) - Court at Palghar bearing Criminal Case No. 115/2007. The matter is filed under Prevention of Food and Adulteration Act, 1954, Section 13(2).

In the said matter Mr. Ibrahim K. Musla has been impleaded as party/ accused. In the said matter Mr. G. S. Mire - public analyst appointed as per provision of Prevention of Food Adulteration Act, 1954, took sample of Mustard Oil (Mustraj) from Mr. R. U. Jadhav – Food Inspector and having inspected/ analyzed the said sample presented his report and gave an opinion that it does not conform as per the standards of Mustard Oil as per Prevention of Food and Adulteration Rules, 1955. The report is dated July 26, 2006.

On the basis of this report, the Department filed a Criminal Case in JMFC Court at Palghar. The accused having appeared on receipt of summons has been released on furnishing PR Bond and the matter has been getting adjourned time and again and the present status is that of “Framing of Charge”.

- (ii) Mr. S. K Shere, Food Inspector attached to the Food and Drug administrator has filed a criminal case against our Company u/sec 2[ia] and 2[ia] and [m] of the act a/w section 7 r/w rule 1[e] of Prevention of Food Adulteration Rules, 1955 and the matter is pending on the file of the Id. JMFC (Judicial Magistrate First Class) - Court at Palghar bearing Criminal Case No 212/07. The matter is filed under Prevention of Food and Adulteration Act, 1954, Section 13(2).

In the said matter Mr. Ibrahim K. Musla has been impleaded as party/ accused. In the said matter Mr. G. S. Mire - public analyst appointed as per provision of Prevention of Food Adulteration Act, 1954, took sample of Mustard Oil (Mustraj) from Mr. R. U. Jadhav – Food Inspector and having inspected/ analyzed the said sample presented his report and gave an opinion that it does not conform as per the standards of Mustard Oil as per Prevention of Food and Adulteration Rules, 1955. The report is dated July 26, 2006.

On the basis of this report, the Department filed a Criminal Case in JMFC Court at Palghar. The accused having appeared on receipt of summons has been released on furnishing PR Bond and the matter has been getting adjourned time and again and the present status is that of “Framing of Charge”.

- B] Mr. V. B. Shyamkul, Food Inspector attached to the Head Office at Bandra Kurla Complex, has filed a criminal case against our Company and its Directors in the Court of the Metropolitan Magistrate 46th Court at Mazgaon bearing no. 146/SS/05. The same is filed under section 7[1] read with section 2[1][a] and section 2[1][a][m] of Prevention of Food and Adulteration Act 1954 and section 7 of the Prevention of Food and Adulteration Rules 1955.

In the said matter, the accused are Mr. Janmohammed B. Pathan, Mr. Shaukat S. Tharadra, Mr. Rashid Tharadra, Mr. Azamkhan F. Lohani and our Company, (Accused Nos 1 to 5 therein respectively). In the said matter, the charges levied against the accused are that, they have stored for sale and selling adulterated food article i.e. Refined Sunflower Oil. On 21/10/2002, Food Inspector Mr. M .S Apte conducted a search and carried a sample for the said refined Sunflower Oil (Suraj) for inspection and analysis. The said Food Inspector issued notice under Section 14/A of the said Act and sent the sample to Public Analyst State Public Health Laboratory, Pune for analysis. On 20.12.2002, Mr. M. S. Apte, Food Inspector, received Analyst Report No. 1029/B/9864-B, dated 28/11/2002. The report opined that the sample of Refined Sunflower Oil (Suraj) contained Linoleic Acid, which is not found in Sunflower Oil. Hence it is an admixture of Oil, which is in contravention of Rule 44 (e) of PFA Rules, 1955. Thereafter, the accused filed application for bail and were released on bail. Further, accused nos. 1 to 5 filed discharge application dated 6th July 2006. The Learned Metropolitan Magistrate of 46th Court, after hearing the discharge application was pleased to discharge accused nos [2] to [4] on 6th April 2007. However, accused no [1] and [5] have still not been discharged. The matter stands adjourned to 26th June 2008.

Litigation – Income Tax related matters

- A] Regarding Assessment Year 2005-06, the Deputy Commissioner of Income Tax passed an Order dated 26/12/07 u/s 143(3) whereby he assessed our Income at Rs. 65,39,972 u/s 115JB as against the returned income of Rs. 64,76,225 and raised a demand of Rs. 62,099 on us. Our Company has filed an Appeal before the Hon'ble Commissioner of Income Tax-Appeals, against the said order. Our Company before filing of the Appeal on 1st January, 2008 paid the amount of Rs 62,099. The case is still pending.
- B] For the Assessment Year 2003-04, the Deputy Commissioner of Income Tax passed Order dated 30 January, 2006 whereby it determined the total loss of our Company at Rs. 1,38,07,305 against loss of Rs 2,58,63,258 declared by our Company. Our Company had filed an Appeal before the Hon'ble Commissioner of Income Tax-Appeals to set aside the Order. The said Appeal was decided against our Company vide Order dated 18th June, 2007 and thereafter, we challenged the said Order of Appeal before the Income Tax Appellant Tribunal. The case is still pending.

Litigation involving Civil Laws

Marico Limited filed a Suit bearing no 2961 of 2006 against our Company as they learnt about the usage of –parachute caps, for which Marico claims that they have registered and have acquired a copyright of the said design.

Marico Limited filed an Notice of Motion in the said suit for urgent Ad-interim Reliefs with a prayer that –Raj Oil Mills be restrained from further infringing their registered cap .The said Notice of Motion was heard and the learned single judge who on hearing both sides, refused /rejected the prayer for urgent Ad-interim Reliefs. Being aggrieved by this Order, Marico Limited preferred an appeal against the said Order. The said appeal was heard at length at the admission stage by their Lordship the Hon'ble Justices Dr S. Radhakrishnan and Anoop Mohta J. The Appeal No is 418 of 2007. The Judgement was reserved on 18th Jan 2008 and pronounced on 20th Feb 2008 the said Appeal was decided, it was held:- “that the reasonings given by the learned single judge are reversed and quashed and set aside, and the Order of Dismissal of Notice of Motion is maintained. The appeal stands disposed off accordingly.”

CONTINGENT LIABILITIES NOT PROVIDED FOR AS ON DECEMBER 31, 2007

- (a) As per the decision of the management, no leave accumulation by employees is allowed hence no Provision has been made for leave outstanding as on the Balance Sheet date.

- (b) Our Company has given corporate guarantee to the extent of Rs. 750 Lacs (Rs. 750 Lacs) in respect of loan taken by farmers/ VLC from Axis Bank Ltd (erstwhile UTI Bank Ltd.) vide original Bank's sanction letter no. UTIB/10705/2005-06 dated December 7, 2005. Our Company will be liable to repay the said loan in case of failure by the farmer to repay the loan to the extent of guarantee given by our Company. Subsequently on January 29, 2008 the said guarantee was withdrawn.
- (c) Estimated amount of contracts that are remaining to be executed on capital account which is not provided for is Rs. 477.48 lacs.
- (d) A survey was conducted on December 12, 2007 by the Income Tax Department, whereby our Company accepted that the capital expenditure of Rs. 245.00 lacs was wrongly shown as debtors in the books of accounts. Our Company has yet to receive any notice for the same from the Income Tax Department.

AMOUNT OWES TO SMALL SCALE INDUSTRIES (SSI)

As on Financial Year ended December 31, 2007, total amount due to Small Scale Industrial Undertaking is Rs. 46.38 lacs, which is outstanding for more than 30 days and is more than Rs. 1 lac. For more detail, please refer section titled "Financial Statements" starting from page no. [●] of this Draft Red Herring Prospectus.

MATERIAL DEVELOPMENTS

In the opinion of the Board of Director of our Company, there have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT/ STATUTORY AND BUSINESS APPROVALS

Except as mentioned below, our Company has received the necessary consents, licenses, permissions and approvals from the Government/RBI and various other government agencies required for our running our present businesses. Our Company can undertake this Issue and all the present activities in view of the present approvals and no further major approvals from any statutory body are required by our Company to continue our present activities.

Further, our Company has applied for various approvals, licences and is in the process of applying other licences for the proposed activities as contained in the section titled "Objects of the Issue" beginning on page no. [●] of this Draft Red Herring Prospectus.

Licenses Obtained

The following statement provides the details of the licenses, permissions and approvals obtained as on date of filing this Draft Red Herring Prospectus by our Company under various central and state laws to carry out its business -

Sr. No.	Issuing Authority	Registration License No.	Nature of Registration/ License	Date of Issue	Validity
Incorporation and other statutory Compliance					
1.	Registrar of Companies, Mumbai, Maharashtra	11-133714	Certificate of Incorporation	17/10/2001	-
2.	Registrar of Companies, Mumbai, Maharashtra		Certificate of Commencement of Business	06/11/2001	-
Ministry of commerce and industries Secretariat for industrial Assistance					
1.	Ministry of Commerce and Industries Secretariat for Industrial Assistance	933/SIA/IMO/2008	Manufacture of Vegetable oil and fat through Expellers / Solvent Extraction/ other than Hydrogenated	28/03/2008	-
2.	Ministry of Commerce and Industries Secretariat for Industrial Assistance	954/SIA/IMO/2008	Manufacture of Ayurvedic or Unani Pharmaceutical Preparations	31/03/2008	-
3.	Ministry of Commerce and Industries Secretariat for Industrial Assistance	953/SIA/IMO/2008	Manufacture of packaging products of plastics	31/03/2008	-
Factory License					
1.	Inspector of Factory	Vasai- 2(m) (i) -15142	Factory License	28/01/2005	2009
Income Tax					
1.	Jt. Commissioner of Income Tax (Systems), Mumbai	AACCR0266J	Permanent Account Number (PAN)	17/10/2001	-
2.	Department of Income Tax, Mumbai	MUMR10844B	Tax Deduction Number (TAN)	-	-
Maharashtra Value Added Tax					
1.	Sales Tax Department, Mumbai	27690000296V w.e.f. 01-04-06	Registration under Maharashtra Value Added Tax Act, 2002	1/4/2006	-
2.	Sales Tax Department, Mumbai	27690000296C w.e.f. 01-04-06	Registration under Central Sales Tax	1/4/2006	-

			Act, 1957		
Service Tax					
1.	Asst. Commissioner of Service Tax, Mumbai	AACCR0266JST 001 ST/ Mumbai/Dn-II/ GTR/ 3761/2006	Service Tax Registration for goods Transport Operator	23/11/2006	-
Maharashtra Pollution Control Board					
1.	Maharashtra Pollution Control Board	BO/WPAE/EIC No. TN-1325-07/O/CCHWA-584	Maharashtra Pollution Control Board	17/09/2007	31/12/2011
Bombay Shops and Establishment					
1.	Brihan Mumbai Corporation	760044979	Shops and Establishment	25/03/2008	31/12/2008
Professional Tax					
1.	Profession Tax Department, Mumbai	PT/R/1/1/29/218 68	Registration Under The Maharashtra State Tax on Professions Act, 1975	-	-
Others					
1.	Maharashtra Solvent Raffinate And Shop (Licensing Order 2007)	Palghar 162/2007	Certificate of Registration Consumers	08/10/2007	10/10/2012
2.	Commissioner of Maharashtra Food and Drug Administration	S/P/M/401/4034/ 2005	Food and Drug License for manufacturing, re-packing and trading of edible oil and vanaspati	13/05/2005	31/12/2009
3.	Maharashtra State Electricity Board	SE/VC/Tech/PL G/con	Electricity supply connected load 450 Kva	15/12/2004	-
4.	Ministry of Commerce & Industry	A/P/WC/MH /15/129 (P195426	Storage of Furnace Oil/LDO (Patroleum Class 'C'	18/04/2007	-
5	Standard Weights and Measures Act, 1977	365	Weigh & Measurement	28/12/2005	-
6.	Directorate of steam Boilers Department	MR/11139	Certificate of use of a Boiler	05/03/2008	04/03/2009
8.	Agriculture Produce Market Committee (APMC)	APMC-LIC- IX/11478	Registration under APMC Act, 1963	-	-
9.	Jt. Director General of Foreign Trade	0302019863	Import export Code	21/06/2002	-
10.	Office of the Regional Provident Fund Commissioner	MH/PF/APP/9244 5/enfVIII/sao/ML D/1215	Employee Provident Fund	02/09/2002	-
11.	Employee's State Insurance Corporation	31-0548-06	Employee's State Insurance	02/10/1954	-
12.	Grampanchyat, Manor, taluka Palghar	Ref. No. 17 and 18	Group grampanchyat, Ten Takvahal, SavarKhand	07/09/2004	-
13.	Rajasthan State Industrial	U(12)-3/2007	No Objection	20/03/2008	-

	Development & Investment Corporation Limited	/08/5292	Letter		
14.	Rajasthan State Industrial Development & Investment Corporation Limited	U(12)-3/2007 /08/5293	No Objection Letter	20/03/2008	-
15.	Grampanchayat, Manor Taluka Palghar	Ref. No. 2007/08	Group Grampanchayat, Ten Takvahal, SavarKhand	19/09/2007	-
16.	Ministry of Commerce and Industry	L/27-A/68/56, L/28(1)/48	Industrial License	29/11/1956	-
17.	Department of Consumer Affairs	MRH/1562/2000	Registration of Manufacturer under the Standards of Weights Measures 9 Packed Commodities Rules 1977)	21/07/2000	-

Licenses Applied for

Our Company had not applied for any of the licenses, permissions and approvals which shall be required under various central and state laws to carry out its proposed businesses, as on date of filing this Draft Red Herring Prospectus.

Licenses yet to be applied

The details of the licenses, permissions and approvals has yet to apply for as on date of filing this Draft Red Herring Prospectus by our Company under various central and state laws to carry out our business –

Our Company require following License/ Approvals for our expansion project at Manor and Jaipur:

Sr. No.	Issuing Authority	Nature of Registration/ License	Status
1.	Rajasthan State Pollution Control & Prevention Board	Consolidated Consent and Authorization (CC&A)	Yet to be Applied
2.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats (Rajasthan)	Registration as user of Solvent Extracted Oil under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967	Yet to be Applied
3.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats (Rajasthan)	Registration under the Vegetable Oils Products Regulation Order, 1998	Yet to be Applied
4.	Ministry of Civil Supplies, Consumer Affairs and Public Distribution, Directorate of vanaspati, vegetable oils and fats (Manor)	Registration under the Vegetable Oils Products Regulation Order, 1998	Yet to be Applied
5.	Superintendent of Prohibition and Excise	License for possession and use of rectified spirit under Bombay Prohibition Act, 1949	Yet to be Applied
6.	Deputy Chief Supervisor under Factories Act	Registration and License under the Factories Act, 1948	Yet to be Applied
7.	Asst. Commissioner and Local Health Authority, Foods and Drugs Control Administration, Rajasthan	License under Prevention of Food Adulteration Act, 1954	Yet to be Applied
8.	Asst. Commissioner and Local Health	License under Prevention of Food	Yet to be Applied

	Authority, Foods and Drugs Control Administration, (Manor)	Adulteration Act, 1954	
9.	Deputy Chief Controller of Explosives, Department of Explosives (Rajasthan)	Exemption under Rule 3 of SMPV (U) Rules, 1981	Yet to be Applied
10.	Deputy Chief Controller of Explosives, Department of Explosives (Manor)	Exemption under Rule 3 of SMPV (U) Rules, 1981	Yet to be Applied
11	Jaipur Vidhyut Vikas Nigam Limited (JVNL) Rajasthan	For Additional Power supply of 800 KVA	Yet to be Applied
12	Maharashtra State Electricity Board	For Additional Power supply of 800 KVA	Yet to be Applied
13	Rajasthan State Electricity Board	Registration of Generating Set	Yet to be Applied
14	Maharashtra State Electricity Board	Registration of Generating Set	Yet to be Applied
15	Office of District Magistrate (Rajasthan)	LDO Storage & Usage License	Yet to be Applied
16	Office of District Magistrate (Manor)	LDO Storage & Usage License	Yet to be Applied

Registered Trade Marks

The details of Trademark Registration of our Company can be depicted as follows -

Sr. No	Registration No.	Brand Name	Class	Date of Registration	Validity
1	427202	RAJ BRAND	29	Non Traceable*	
2	427209	RAJ BRAND	29	17-Sep-1984	16th Sept 2015
3	991709	RAJ BRAND	30	22-Feb-2001	22-Feb-2011
4	991710	RAJ BRAND	31	22-Feb-2001	22-Feb-2011
5	991711	RAJ BRAND	32	22-Feb-2001	22-Feb-2011
6	859001	COCORAJVATI	29	02-Jun-1999	02-Jun-2009
7	859228	COCORAJENRICH	29	03-Jun-1999	03-Jun-2009
8	859229	COCORAJENRICH	3	03-Jun-1999	03-Jun-2009
9	864027	COCORAJENRICH	5	06-Jul-1999	06-Jul-2009
10	871608	COCORAJ.	3	17-Aug-1999	17-Aug-2009
11	871609	COCORAJ.	5	17-Aug-1999	17-Aug-2009
12	886577	COCORAJLITE	29	15-Nov-1999	15-Nov-2009
13	886578	COCORAJ LITE (WORD).	3	15-Nov-1999	Appl.
14	899134	COCORAJ TOTAL	29	21-Jan-2000	01-Jan-2010
15	899138	COCORAJ TOTAL (WORD).	5	21-Jan-2000	01-Jan-2010
16	944385	COCORAJ INDIA.COM	16	02-Aug-2000	02-Aug-2010
17	991706	COCORAJ NATURAL (LABEL).	29	22-Feb-2001	22-Feb-2011
18	1111082	COCORAJ (MARATHI)	29	12-Jun-2002	12-Jun-2012
19	1111083	COCORAJ (GUJ)	29	12-Jun-2002	12-Jun-2012
20	1111084	COCORAJ (KANNADA).	29	12-Jun-2002	12-Jun-2012
21	1126594	COCORAJ ENRICHE	5	16-Aug-2002	16-Aug-2012
22	1126595	COCORAJ ENRICHE	3	16-Aug-2002	16-Aug-2012
23	328202	COCORAJ (LABLE).	29	25-Aug-1998	24th Aug 2015

24	427210	COCORAJ ROM(TREE)	29	17-Sep-1984	16th Sept 2015
25	427214	COCORAJ WORD PER SE	29	17-Sep-1998	17-Sep-2015
26	549767	COCORAJ BLUE (LABEL).	29	25-Apr-1991	Appl.
27	807897	COCORAJ	29	26-Jun-1998	26-Jun-2008
28	815361	COCORAJ (WORD).	3	20-Aug-1998	20-Aug-2008
29	859000	COCORAJVATI	3	02-Jun-1999	02-Jun-2009
30	148301	RAJ TEEL OIL	29	05-Apr-1951	05-Apr-2017
31	427208	RAJ OIL MILLS WORDS PERSE	29	17-Sep-1984	16th Sept 2015
32	826050	RAJ	29	05-Nov-1998	05-Nov-2008
33	427213	MUSTARD OIL (L) - (RAJ BRAND).	29	17-Sep-1984	17-Sep-2015
34	963691	MUSTRAJ	29	16-Oct-2000	16-Oct-2010
35	991702	MUSTRAJ	29	22-Feb-2001	22-Feb-2011
36	1053941	CORNRAJ	29	23-Oct-2001	23-Oct-2011
37	1099680	SOYARAJ	29	26-Apr-2002	26-Apr-2012
38	427212	GUINEA BRAND (L)	29	17-Sep-1984	17-Sep-2015
39	507912	GOLDEN GEENEE	29	31-Mar-1989	31-Mar-2010
40	507914	PANCH GUINEA	29	31-Mar-1989	31-Mar-2010
41	810858	GUINEARAJ .	29	20-Jul-1998	20-Jul-2008
42	826047	GUINEA	29	05-Nov-1998	05-Nov-2008
43	944388	GUINEA.COM	16	02-Aug-2000	02-Aug-2010
44	944389	GUINEA.COM	16	02-Aug-2000	02-Aug-2010
45	1111086	GUINEA (WORD IN GUJARATI).	29	12-Jun-2002	Appl.
46	1111087	GUINEA.	29	12-Jun-2002	12-Jun-2012
47	427694	RAJ BRAND	29	Non Traceable*	15-10-2010
48	991707	RAJ BRAND (WORD).	29	22-Feb-2001	Appl.
49	991708	RAJ BRAND (LABEL).	29	22-Feb-2001	Appl.
50	899133	COCORAJ TOTAL (WORD).	3	21-Jan-2000	Appl.
51	944033	COCORAJINDIA.COM	9	31-Jul-2000	Appl.
52	808952	PALMRAJ	29	06-Jun-1998	Appl.
53	1053937	SOYARAJ	29	20-Oct-2001	Appl.
54	811058	GUINEARAJ (LABEL).	29		Appl.
55	826049	GUINEA	29	05-Nov-1998	Appl.
56	826051	GUINEA BRAND	29	05-Nov-1998	Appl.

* The following undertaking was given by Abdulla K. Musla, Director of the Company on May 5, 2008.

- 1 The Company has obtained the registration of the aforesaid Trademarks which are not traceable.
- 2 The Company will apply to the Registrar of Trademarks for the Issuance of Duplicate Registration Certificate in due course.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has pursuant to a resolution dated February 28, 2008 authorised a committee of its Directors to take decisions on behalf of the Board in relation to this Issue. The committee is referred to as the IPO Committee.

This Issue has been authorised by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the AGM of the shareholders of our Company held on dated April 15, 2008.

Prohibition by SEBI

Our Company, our Directors, our Promoter, our Promoter Group and companies with which our Company's Directors are associated as directors 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. The listing of securities of our Company has never been rejected at any time by any Stock Exchange in India.

Neither of our Company, our Promoter and our Promoter Group has been declared as wilful defaulters by RBI or any other governmental authority and there have been no violations of securities laws committed by them in the past or no such proceedings are pending against us or them.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time. In this regard we have appointed Mr. Alok Desai, Company Secretary as Compliance Officer of our Company.

Eligibility for the Issue

Our Company is eligible to make a public issue of Equity Shares in terms of clause 2.2.1 of the SEBI Guidelines.

- Our Company has net tangible assets of at least Rs. 300 lacs in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;
- Our Company has a pre-Issue net worth of not less than Rs. 100 lacs in each of the preceding three full years (of 12 months each)
- Our Company has a track record of distributable profits as per Section 205 of Companies Act for at least three out of the immediately preceding five years;
- The aggregate of this proposed Issue and all previous issues made in the same financial year in terms of size (i.e. offer through offer document + firm allotment + promoter contribution through the offer document) would not exceed five times the pre-Issue net worth as per the audited accounts for the financial year ended December 31, 2007 of our Company;
- Our Company has not changed the name since inception.

Our Company has received the certificate dated May 26, 2008 from the M/s. M. K. Gohel & Associates, the Statutory Auditors of our Company, certifying the following -

The net tangible assets, monetary assets, net profits (as restated) and Networth (as restated) as derived from the Unconsolidated Restated Financial Statements, as per Indian GAAP, as at and for the last five years ended December 31, 2003 to December 31, 2007 is set forth below –

(Rs. in lacs)

Particulars	As on 31-12-2007	As on 31-12-2006	As on 31-12-2005	As on 31-12-2004	As on 31-12-2003
Net Tangible Assets (1)	5,489.13	2,558.63	1,859.63	1,784.57	1,700.19
Monetary Assets (2)	243.78	155.87	91.65	77.87	76.07
Monetary Assets as a Percentage of Net Tangible Assets	4.44%	6.09%	4.93%	4.36%	4.47%
Net Worth (4)	4,338.89	1,784.46	1,053.86	572.60	436.00
Distributable Profit (3)	1,815.20	672.41	155.31	71.27	86.51

Notes:

1. Net Tangible Assets means the sum of all fixed assets (including capital work in progress), investment, current assets less current liabilities and provisions and unsecured loans, excluding 'intangible assets', as defined in accounting standard 26 issued by Institute of Chartered Accountants of India.
2. Monetary assets include cash on hand and bank.
3. The distributable profits of the Company is as per Section 205 of Companies Act, 1956 and has been calculated from the audited financials statements of the respective year before making adjustments for restatement of financial statements.
4. Net Worth has been defined as aggregate of equity share capital and reserves, after deducting miscellaneous expenditures.

Raj Oil Mills Limited is eligible for the proposed Initial Public Offering Equity Shares in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under: (the eligibility criteria have been calculated in accordance with financial statements under Indian GAAP).

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the number of allottees receiving allotment in this Issue shall be at least one thousand (1000) in number.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KARVY INVESTOR SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 6, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

“WE, THE UNDER NOTED LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE DRAFT PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE BOARD, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTER CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED ATLEAST 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 PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE

8. WHERE THE REQUIREMENT OF PROMOTER CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTER CONTRIBUTION UNDER CLAUSE 4.10 (SUB-CLAUSE (A), (B), OR (C), AS MAY BE APPLICABLE) ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.

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 SECTION 73(3) 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 NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTER, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.

12. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE AS THE OFFER SIZE IS MORE THAN 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

13. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY 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.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

THE BOOK RUNNING LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT RED HERRING PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT OUR INSTANCE AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Caution

Our Company, our Directors, our Promoter and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company, the BRLMs 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.

Our Company shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

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, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, 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 this Draft Red Herring Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated [●], permission to our Company to use BSE's name in the Red Herring Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. BSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
- (ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated [●] permission to the Issuer to use its name in the Red Herring Prospectus as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its Promoter, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The disclaimer clauses given above will be updated on receipt of in-principle approvals from BSE and NSE, if required.

Disclaimer clause of IPO Grading Agency

[●]

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI, Mumbai and with BSE and NSE.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC.

Listing

Applications have 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 our Company's Equity Shares. BSE will be the Designated Stock Exchange with which the basis of allocation will be finalized for this Issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 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.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for this Issue.

Consents

Consents in writing of: (a) the Directors (b) the Company Secretary and Compliance Officer, (c) the Auditors (d) Bankers to the Company and Bankers to the Issue, (e) Book Running Lead Managers to the Issue and Syndicate Members, (f) Escrow Collection Bankers, (g) Registrar to the Issue, (h) Legal Advisors to the Issue (i) IPO Grading Agency (j) Underwriter(s) to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s. M. K. Gohel & Associates, Chartered Accountants have given their written consent to the inclusion of their Auditors' Report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s. M. K. Gohel & Associates, Chartered Accountants, have given their written consent to the Tax Benefits Certificate accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

We have not obtained any expert opinion report, except

- Brand Valuation Report dated April 28, 2008 from Haribhakti MRI Corporate Services Pvt. Limited
- Report of the Auditors M/s. M. K. Gohel & Associates, Chartered Accountants dated May 26, 2008 on the Tax Benefit available to our Company and investors.
- Letter No. [●] dated [●] Issued by ICRA Limited describing the IPO Grading with the rationale.

Expenses of the Issue

The total expenses of this Issue are estimated to be approximately Rs. [●] lacs. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be borne by our Company.

The estimated Issue expenses are as under:

Activity	Amount (Rs. In lacs)	% of Issue Expenses	% of Issue Size
Fees to Book Running Lead Managers	[●]	[●]	[●]
Fees to Registrar to the Issue	[●]	[●]	[●]
Fees to Legal Advisor to the Issue	[●]	[●]	[●]
Fees to Auditors	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Selling Commission	[●]	[●]	[●]
Escrow Bankers charges	[●]	[●]	[●]
IPO Grading expenses	[●]	[●]	[●]
Printing & Stationery	[●]	[●]	[●]
Advertisement expenses	[●]	[●]	[●]
Other expenses (including filing fees, listing fees, depository charges etc.)	[●]	[●]	[●]
Contingencies	[●]	[●]	[●]
Total	[●]	[●]	[●]

Fees payable to the BRLMs

The total fees payable to the BRLMs will be as per the MoU signed between our Company and the BRLMs, a copy of which is available for inspection at the Registered Office of our Company.

Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the MoU signed between our Company and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refund orders or allotment advice.

Others

The total fees payable to the Legal Advisor, Auditor and IPO Grading Agency will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement entered between our Company, the BRLMs and Syndicate Members on [●]. The underwriting commission shall be paid as set out in the Syndicate Agreement based on this Issue Price and amount underwritten in the manner mentioned in the Draft Red Herring Prospectus.

Previous Public or Rights Issues

Our Company has not made any public or rights issue since its inception.

Previous Issues of Shares Otherwise than for Cash

Our Company has not made any previous issues of shares otherwise than for cash except as stated in the section titled "Capital Structure" starting from page no. [●] of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues

No sum has been paid or payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Outstanding Debenture or Bond Issues

As on the date of filing this Draft Red Herring Prospectus our Company does not have any outstanding debentures or bond issues.

Outstanding Preference Shares

As on the date of filing this Draft Red Herring Prospectus our Company does not have any outstanding preference shares.

Companies under the same Management which made any Capital Issue during the last three years

There are no companies under the same management within the meaning of Section 370(1) (B) of the Companies Act that made any capital issue during the last three years.

Promise vis-à-vis Performance

Our Company has not made any public issue since its inception. None of our group companies have made any public issue since their respective dates of inception.

Option to Subscribe

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data

This being the first public issue by our Company, no stock market data is available.

Listed Ventures of Promoter

No listed company promoted by our Promoter has made any Public Issue during the last three years.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for the period as required to maintain records under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 from the last date of dispatch of 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 this 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.

Our Company estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has constituted an Investor Grievance Committee and also appointed Mr. Alok Desai as the Compliance Officer for this Issue and he may be contacted at our Registered Office at business hours.

The investors are requested to contact the above-mentioned Compliance Officer in case of any Pre-issue related clarification. In case of Post-Issue related problems such as non-receipt of letters of allotment/share certificates/credit of securities in depositories beneficiary account/refund orders etc., Investors may contact Compliance Officer or Registrar to the Issue.

Change in Auditors

The Auditors of our Company are appointed (and reappointed) in accordance with provisions of the Companies Act and their remuneration, rights and duties are regulated by Sections 224 to 233 of the Companies Act, 1956.

M/s. S. H. Bathiya & Associates were the statutory auditor of our Company from the financial year 2001 to financial year 2005. M/s. S. H. Bathiya & Associates resigned on May 15, 2006. Then we appointed M/s. M. K. Gohel & Associates as our Statutory Auditors.

Capitalisation of Reserves or Profits

Our Company has not capitalised any reserves or profits during the last five years, except bonus shares issued as stated in the section titled “Capital Structure” starting from page no. [●] of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not re-valued our assets since inception.

Payment or Benefit to Officers of our Company

Except for statutory benefits available upon termination of their employment in our Company or superannuation, no officer of our Company is titled to any benefit upon termination of his employment in our Company or superannuation.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares now being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Red Herring Prospectus and Application Form 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 Equity Shares. Further to the above, the Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/Government of India/Stock Exchanges and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for the Issue

Our Board of Directors has pursuant to a resolution dated March 25, 2008 authorised this Issue. The Issue has been authorised by a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, at the AGM of the shareholders of our Company held on dated April 20, 2008.

Ranking of Equity Shares

The Equity Shares to be issued shall, subject to the Memorandum and Articles of Association of our Company, rank pari passu with the existing Equity Shares of our Company in all respects including rights in respect of 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.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders as per the provisions of the Companies Act, 1956 and Articles of Association of our Company.

Face Value and Issue Price

The Equity Shares of face value of Rs. 10 each are being offered in terms of this Draft Red Herring Prospectus at a price of Rs. [●] per Equity Share. The Issue price includes a premium of Rs. [●] per Equity Share. The Issue Price is [●] times of the face value. At any given point of time there shall be only one denomination of Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights unless prohibited by law-

- Right to receive dividend, if declared;
- Right to receive notice and attend general meetings and exercise voting powers;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956 and Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled "Main Provisions of Articles of Association of our Company" beginning on page no. [●] 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 dematerialized form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the sub-section titled “Basis of Allotment” starting from page no. [●] of this Draft Red Herring Prospectus.

Nomination Facility to Investor

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

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board of Directors of our Company 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 of Directors of our Company may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue to public including devolvement of Underwriters within 60 days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, our Company shall ensure that the prospective allottees in this Issue shall not be less than 1000 in numbers; else our Company shall not make an allotment pursuant to this Issue.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only and therefore the tradable lot is one share. Therefore there is no possibility of odd lots.

Restriction on Transfer and Transmission of Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association of our Company” starting from page no. [●] of this Draft Red Herring Prospectus.

Subscription by NRIs/ FIIs/Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs and all NRI, FIIs registered with SEBI applicants will be treated on the same basis with other categories for the purpose of allocation.

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

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A under the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. This information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications 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.

Withdrawal of the Issue

Our Company, in consultation with the BRLM(s) reserves the right not to proceed with this Issue anytime after the Issue Opening Date without assigning any reason thereof.

Compliance with SEBI Guidelines

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

Jurisdiction

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

ISSUE STRUCTURE

The present Issue of 1,10,00,000 Equity Shares Rs. [●] each for cash aggregating Rs. [●] lacs is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 55,00,000 Equity Shares	Allocation of a minimum of 16,50,000 Equity Shares or Issue Size less allotment to QIB Bidders and allocation to Retail Individual Bidders.	Allocation of 38,50,000 Equity Shares or Issue Size less allotment to QIB Bidders and allocation to Non-Institutional Bidders.
Percentage of Issue Size available for allotment/allocation	Upto 50% of the Issue Size (of which 5% shall be reserved for Mutual Funds) less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Minimum 15% of the Issue Size or Issue Size less allotment of the QIB Portion and allocation to Retail Individual Bidders.	Minimum 35% of Issue Size or Issue Size less allotment of the QIB Portion and allocation to Non Institutional Bidders.
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate as follows: (a) Equity Shares constituting 5% of the QIB portion shall be allocated on a proportionate basis to Mutual Funds; (b) The balance Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institution as defined in section 4A of the Companies Act, 1956, scheduled commercial banks, mutual funds, foreign institutional	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.

	investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority (IRDA), provident funds with minimum corpus of Rs. 2,500 lacs, pension funds with minimum corpus of Rs. 2,500 lacs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.		
Terms of Payment	QIB Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	At least 10% of Bid Amount.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

* Our Company is considering a Pre-IPO Placement prior to the completion of this Issue. If the Pre-IPO Placement is completed, the Public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue to the Public being 25% of the post Issue paid-up capital of our Company. We will complete the issuance of such Equity Shares pursuant to the Pre-IPO Placement, if any, prior to filing the Red Herring Prospectus with RoC.

* Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the 100% Book Building Process wherein up to 50% of this Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The remaining shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. Under-subscription, if any, in any of the categories would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLM(s).

** 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.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allotted to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds. The remaining shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue would be allocated to Non-Institutional Bidders and not less than 35% of the Issue would be allocated to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company, in consultation with the BRLM(s), 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. 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.

Bid cum Application Form

Bidders are requested to use only 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 this 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. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-residents including eligible NRIs, FVCIs, FIIs etc. applying on a repatriation basis	Blue

Who can bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- 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;

- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws.
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI on a repatriation basis;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- 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;
- As permitted under applicable laws, Provident Funds with minimum corpus of Rs. 2,500 lacs and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 lacs and who are authorised under their constitution to hold and invest in equity shares; and
- Multilateral and Bilateral Development Financial Institutions.
- National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.

As per the existing RBI Regulations, OCBs are prohibited from participating in this Issue.

Note: Associates and affiliates of the BRLMs and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. However, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

The information below is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by Mutual Funds

Under the SEBI Guidelines, 5% of the QIB Portion has been specifically reserved for 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.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

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.

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.

Bids by Eligible NRIs

Bid cum application forms have been made available for eligible NRIs at our registered office, members of the Syndicate and the Registrar to the Issue.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (white in colour). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital in case such sub-account is a foreign corporate or an individual.

With the approval of the Board of Director and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100% in our Company. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

With effect from October 25, 2007, Foreign Institutional Investors ("FIIs") and their sub-accounts, registered with the SEBI, cannot issue offshore derivative instruments ("ODIs") and are required to unwind their positions in such instruments within 18 months from that date. FIIs and their sub-accounts are free to invest or trade in derivatives directly on recognized Indian stock exchanges only. Further, FIIs are allowed to issue participatory notes ("PNs") only in the cash segment and not linked to underlying derivatives, up to 40% of their assets under custody ("AUC"). The reference date for calculating the AUC will be September 30, 2007, and the basis of calculating the AUC will be the filing made by the FII with its custodian as on September 30, 2007. FIIs that have issued PNs not linked to underlying derivatives amounting to less than 40% of their AUC, can further issue such instruments at the rate of 5% on an incremental basis until they touch the 40% limit. FIIs that have already issued PNs exceeding 40% of their AUC can issue such instruments to the extent they cancel, redeem, or close their existing PNs. (Press Release No. 286/2007 dated October 25, 2007 issued by the SEBI.)

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for 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 prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with SEBI respectively. 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 ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and minimum Bid size

- **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 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.
- **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. 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 Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.** In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 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'.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

- (a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in an English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of our Company is situated. This advertisement, subject to the provisions of Sec. 66 of the Companies Act shall be in the format prescribed in the SEBI Guidelines.
- (c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (d) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft 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 and should approach any of the BRLMs or the Syndicate Members or their authorized agent(s) to register their Bids.
- (e) The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

- (f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.
- (g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and Bidding Issue Period will be published the same in an English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of our Company is situated and the Bidding/ Issue Period may be extended, if required, for three additional days after revision of Price Band subject to the total Bidding/Issue Period not exceeding 10 working days.

Method and Process of Bidding

- (a) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” on page no. [●]) 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 Price, will become automatically invalid.
- (b) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple 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 entitled “Build up of the Book and Revision of Bids” on page no. [●].
- (c) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Transaction Registration Slips (TRSS) for each Bid cum Application Form.
- (d) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Draft Red Herring Prospectus.
- (e) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph entitled “Terms of Payment and Payment into the Escrow Accounts” on page no. [●].

Bids at Different Price Levels and Revision of Bids

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Rs. 1 (One).
- (b) Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band, during the Bidding Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in this Draft Red Herring Prospectus.
- (c) The Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

- (d) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- (e) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall subscribe the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e. original Bid Price plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders, if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Price plus additional payment) exceeds Rs. 100,000 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 the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (g) 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.
- (h) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size will be revised in order to ensure that the Bid amount payable on such application is in the range of Rs. 5,000 to Rs. 7,000. The changes regarding the same shall be advertised in accordance with SEBI Guidelines.
- (i) 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.
- (j) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of international QIB Bidders, the BRLM and/or their affiliates and in case of domestic QIB Bidders, the BRLM and/or their affiliates, shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (k) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Option to Subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerized form only. Bidders will not have any option of getting the Allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerized segment of the Stock Exchanges.

PAYMENT INSTRUCTIONS

Escrow mechanism

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Price from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this 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 Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the refund account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of payment and payment into the Escrow Accounts

Each Bidder, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph entitled “Payment Instructions” on page no. [●]) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the refund account for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section entitled “Issue Structure” starting from page no. [●]. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. QIBs will be required to deposit a margin of 10% at the time of submitting of their Bids.

Where the Bidder has been allocated/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

The Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/allotment in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/allotment as per the following terms:

Payment into Escrow Account

- (a) The Bidders for whom the applicable Margin Amount is equal to 100% 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.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated/allotment to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
- (c) **The payment instruments for payment into the Escrow Account should be drawn in favour of:**
 - **In case of Resident QIB Bidders: “Escrow Account – Raj Oil Mills IPO – QIB - R”;**
 - **In case of Non-Resident QIB Bidders: “Escrow Account – Raj Oil Mills IPO – QIB - NR”;**
 - **In case of Resident Retail Individual Bidders: “Escrow Account – Raj Oil Mills IPO - Retail - R”**
 - **In case of Non-Resident Retail Individual Bidders: “Escrow Account – Raj Oil Mills IPO - Retail - NR”**
 - **In case of Resident Non-Institutional Bidders: “Escrow Account – Raj Oil Mills IPO – Non-Institutional - R”**
 - **In case of Non-Resident Non-Institutional Bidders: “Escrow Account – Raj Oil Mills IPO – Non-Institutional – NR”**
- (d) In case of Bids by eligible 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.
- (e) In case of Bids by FIIs, 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.
- (f) Where a Bidder has been allocated/allotment 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 as per the terms of the Escrow Agreement and the Red Herring Prospectus.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/allotment to the Bidders.
- (j) 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.
- (k) Bidders are advised to mention the number of application form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
- (l) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment by Stockinvest

In terms of RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Electronic Registration of Bids

- (a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) BSE and NSE will offer a screen-based facility for registering Bids for this Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members 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 half hourly basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the online system:
 - Name of the Investor; Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
 - Investor Category – Individual, Corporate, FVCI, NRI, FII, Mutual Fund, QIBs etc.
 - Numbers of Equity Shares bid for;
 - Bid Price;

- Bid cum Application Form number;
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form; and
 - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the 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.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, members of the syndicate also have 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 who Bid, Bids would not be rejected except on the technical grounds listed on page no. [●].
- (h) 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 BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our Management or any scheme or project of Our Company.
- (i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of 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.

Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revisions of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The Book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis for Bidders).
- (d) 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.
- (e) 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 Rs. 100,000.

- (f) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (g) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.
- (h) Bids by Non Residents, NRIs and FIIs and FVCIs registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
- (i) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (j) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (k) The Price Band can be revised during the Bidding Period, in which case the bidding period shall be extended further for a period of three (3) days, subject to the total bidding period not exceeding ten (10) working days. The Cap on the Price Band shall not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the Floor of Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (l) Any revision in the Price Band will be widely disseminated by informing the Stock Exchanges, by issuing a Public Notice in two (2) national newspapers (one each in English and Hindi) and one (1) local newspaper in regional language.
- (m) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (n) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and 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. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (o) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (p) 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 Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB margin, if any, to be paid on account of the upward revision of bid at the time of one or more revision by the QIB bidders.

- (q) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **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.**
- (r) Only bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running Lead Managers based on physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company in consultation with the BRLM shall finalise the Issue Price.
- (c) The allotment to QIB Bidders of up to 50% of the Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price, in the manner as described in “Basis of Allotment – Allotment to QIB Bidders” starting from page no. [●]. The allocation to Non-Institutional Bidders of not less than 15% and Retail Individual Bidders of not less than 35% of the Issue Size would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under-subscription, if any, in any of the categories would be met with the spill over from any other category at the sole discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 2,75,000 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.
- (e) Allocation to Eligible NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the FIPB and RBI while granting permission for allotment of Equity Shares to them in this Issue.
- (f) The BRLM, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Price has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel this Issue at any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and RoC filing

- (a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/allotment to the Bidders.
- (b) After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue Size and Underwriting Arrangements and would be complete in all material respects.

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 CAN

- (a) 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/allotted Equity Shares in the Issue. The approval of the basis of allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the date of allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLM or the Syndicate Members would 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 to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

The Issuance of CAN is subject to “Allotment Reconciliation and Revised CANs” as set forth under the chapter “Terms of Issue” of this Draft Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details etc. and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. 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.

Designated Date and Allotment of Equity Shares

- (a) Our Company will ensure that the allotment of Equity Shares is done within 15 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 would ensure the credit to the successful Bidders depository account allotment of the Equity Shares to the allottees shall be within two working days of the date of allotment.
- (b) In accordance with the SEBI Guidelines, Equity Shares will be issued, transferred and allotment shall be made only in the dematerialised form to the allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply;
- (b) Ensure that your Bid is within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) as the case may be;
- (d) Ensure that DP account is activated;
- (e) Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialised form only;
- (f) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (g) Ensure that you have been given a TRS for all your Bid options;
- (h) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS; and
- (i) Each of the bidders should hold a valid Permanent Account Number allotted under the IT Act and mention his/her Permanent Account Number in the application form while bidding for this issue. **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.**
- (j) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- (k) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not bid for lower than the minimum Bid size;
- (b) 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;
- (c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) 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;
- (h) Do not submit the Bid accompanied with Stockinvest; and

- (i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- (j) Do not bid at Bid Amount exceeding Rs. 100,000, in case of Bid by a Retail Individual Bidder; and
- (k) Do not submit the Bid without the QIB margin, in case of Bids by a QIB.

Instructions for completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account details and Bank Account details

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. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither of our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue and the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, 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 in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) and the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Our Company in its 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/ 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.

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 applicants 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.

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 reserve 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 by provident funds with minimum corpus of Rs. 2,500 lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lacs, 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, the 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 our 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, 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.

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.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. 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 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.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The 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

Each of the Bidders should mention its PAN allotted under the I.T. Act, in the Bid-cum-Application Form. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

UNIQUE IDENTIFICATION NUMBER - MAPIN

Pursuant to the Circular (MRD/DoP/Cir08- 2007) dated June 25, 2007, SEBI has discontinued with the requirement of UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 and the Circular (MAPIN/Cir-13/2005) dated July 1, 2005.

OUR RIGHT TO REJECT BIDS

In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids, provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUND FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- (a) Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- (b) Age of First Bidder not given;
- (c) 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;
- (d) Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- (e) GIR number furnished instead of PAN;
- (f) Bids for lower number of Equity Shares than specified for that category of investors;
- (g) Bids at a price less than lower end of the Price Band;
- (h) Bids at a price more than the higher end of the Price Band;
- (i) Bids at Cut Off Price by Non-Institutional and QIB Bidders applying for greater than 100,000 Equity Shares;
- (j) Bids for number of Equity Shares which are not in multiples of [●];
- (k) Category not ticked;
- (l) Multiple Bids as defined in this Draft Red Herring Prospectus;
- (m) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- (n) Bids accompanied by Stockinvest/money order/postal order/cash;
- (o) Signature of sole and/or joint Bidders missing;
- (p) Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members;
- (q) Bid cum Application Forms does not have Bidder's depository account details;
- (r) 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 this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum Application Forms;
- (s) 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;
- (t) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (u) Bids by QIBs not submitted through the Syndicate; and
- (v) Bids by OCBs.
- (w) Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- (x) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- (y) Bids not uploaded in the Book;

BASIS OF ALLOTMENT

A. 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.
- If the aggregate demand in this category is less than or equal to 38,50,000 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 38,50,000 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of 38,50,000 Equity Shares. For the method of proportionate basis of allotment, refer below.

B. 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.
- If the aggregate demand in this category is less than or equal to 16,50,000 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 16,50,000 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of 16,50,000 Equity Shares. For the method of proportionate basis of allotment refer below.

C. 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 QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- 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 over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for 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.

- The aggregate allotment to QIB Bidders shall be upto 55,00,000 Equity Shares.
- Allotment reconciliation and revised CANs: After the Bid/Issue Closing Date, based on the electronic book, QIBs will be sent a CAN on or prior to [●] indicating the number of Equity Shares that may be allotted to them. The CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the book prepared based on Bid cum Application Forms received by the Registrar. Subject to SEBI Guidelines, certain Bid cum Application Forms may be rejected due to technical reasons, non-receipt of funds, cancellation or bouncing of cheques etc. and these rejected Bid cum Application Forms will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to the QIBs which may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares to them. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issuance of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares Allotted to such QIB. The revised CAN, if issued, will supersede in entirety to the earlier CAN.
- The method of proportionate basis of allocation is stated below.

Illustration of allotment to QIBs and Mutual Funds (“MF”)

A. Issue details

Sr. No.	Particulars	Issue details
1.	Issue size	2,000 lacs equity shares
2.	Allocation to QIB (up to 50%)	1,000 lacs equity shares
	Of which:	
	a. Reservation to MF (5%)	50 lacs equity shares
	b. Balance for all QIBs including MFs	950 lacs equity shares
3.	No. of QIB applicants	10
4.	No. of shares applied for	5,000 lacs equity shares

B. Details of QIB Bids

Sr. No	Type of QIB bidders#	No. of shares bid for (in lacs)
1.	A1	500
2.	A2	200
3.	A3	1300
4.	A4	500
5.	A5	500
6.	MF1	400
7.	MF2	400

8.	MF3	800
9.	MF4	200
10.	MF5	200
	Total	5,000

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are MFs)

C. Details of allotment to QIB Bidders/Applicants

(No. of equity shares in lacs)

Type of QIB bidders	Shares bid for	Allocation of 50 lacs Equity Shares to MFs proportionately (please see note 2 below)	Allocation of balance 950 lacs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	500	0	96	0
A2	200	0	38.4	0
A3	1,300	0	249.5	0
A4	500	0	96	0
A5	500	0	96	0
MF1	400	10	74.8	84.8
MF2	400	10	74.8	84.8
MF3	800	20	149.7	169.7
MF4	200	5	37.4	42.4
MF5	200	5	37.4	42.4
	5,000	50	950	424.2

Please note:

- the illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” commencing on page no. [●];
- out of 1,000 lacs Equity Shares allocated to QIBs, 50 lacs (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 2,000 lacs shares in QIB category;
- the balance 950 lacs Equity Shares (i.e. 1,000 - 50 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 5,000 lacs Equity Shares (including 5 MF applicants who applied for 2,000 lacs Equity Shares); and
- the figures in the fourth column titled “Allocation of balance 950 lacs Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - for QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 950 / 4,950
 - for Mutual Funds (MF1 to MF5) = [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e. column III of the table above)] X 950/4,950 and
 - the numerator and denominator for arriving at allocation of 950 lacs shares to the 10 QIBs are reduced by 50 lacs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders will be categorised according to the number of Equity Shares applied for.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
 - each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - the successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (e) If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- (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.

PAYMENT OF REFUND

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. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

- **ECS** – Payment of refunds would be mandatorily done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.
- **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.
- **Direct credit**: Applicants having bank accounts with the Refund Banker(s), the refund amount would be credited directly to their Bank Account with the Refund Banker. Charges, if any, levied by the Bank(s) to the Issue for the same would be borne by our Company.
- **RTGS**: Applicants having a bank account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram and whose refund amount exceeds Rs. 10 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

Note: We expect that all payments including where refund amounts exceed Rs. 10 lacs shall be made through NEFT, however, in some exceptional circumstances where refund amounts exceed Rs. 10 lacs refunds may be made through RTGS.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocations. Applicants residing at 68 centers where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur, will get refunds through ECS (subject to availability of all information for crediting the refund through ECS) except where applicants are otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by “Under Certificate of Posting” and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder’s sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and
- Our Company will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY

Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder’s sole risk.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, our Company further undertake that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- 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 days of the Bid/Issue Closing Date would be ensured; and

- Our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen) days time period as mentioned above), if allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen) days time prescribed above as per the Guidelines issued by GoI, Ministry of Finance pursuant to their letter no. F/8/S/79 dated July 31, 1983, as amended by their letter no. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest in case of delay in dispatch of allotment letters/refund orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/Issue Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

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.”

UNDERTAKING BY THE COMPANY

Our Company undertakes as follows:

- that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- 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 finalization of the basis of Allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within fifteen working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and

- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- that the complaints received in respect of this Issue shall be attended to by our Company expeditiously;

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of this 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 this Issue shall be disclosed 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 this 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;
- our Company shall not have recourse to this Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds of this Issue.

Withdrawal of the Issue

Our Company in consultation with the BRLM(s) reserves the right not to proceed with this Issue at any time after the Bid/Issue Opening Date but before Allotment, without assigning any reason thereof. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply only for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the Stock Exchanges. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

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 dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- (a) Agreement dated May 7, 2008 with NSDL, our Company and the Registrar to the Issue
- (b) Agreement dated May 2, 2008 with CDSL, our 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.

- A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- 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.
- The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Applicants can contact the Compliance Officer in case of any Pre-issue related clarification. In case of Post-Issue related problems such as non-receipt of letters of allotment/share certificates/credit of securities in depositories beneficiary account/refund orders etc., applicants may contact Compliance Officer or Registrar to the Issue.

Issue program

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 except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 1.00 p.m. (Indian Standard Time) and uploaded till

- (iii) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders and;
- (iv) till such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000.

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 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on working days i.e. Monday to Friday (excluding any public holiday).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day 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 days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and 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.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. No person shall make a Bid in pursuance of this Issue unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors making a bid in response to the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM, 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 subscribe to the Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the BRLM, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to subscribe to Equity Shares of our Company.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association *inter alia* relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

CAPITAL

3.
 - a) The Authorised Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
 - b) The minimum paid up Share capital of the Company shall be Rs. 5,00,000 or such other higher sum as may be prescribed in the Act from time to time.
4. The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to Section 80 and other applicable provisions of the Act, the Company can issue preference shares that may be liable to be redeemed on the terms and conditions and in such manner as the Company may by ordinary resolution determine.
7. On the issue of Redeemable Preference Shares under the provision of Article 6 hereof the following provisions shall take effect
 - (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption.
 - (b) No such shares shall be redeemed unless they are fully paid.
 - (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.
 - (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

- (e) Subject to the provisions of Section 80 of the Act, the redemption of Preference Shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
8. (1) The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued subject to the following conditions :
 - (a) the issue of sweat equity shares is authorised by a special resolution passed by the Company in general meeting;
 - (b) the resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares are to be issued; and
 - (c) not less than one year has at the date of issue elapsed since the date on which the Company was entitled to commence business.
 - (2) Subject to the provisions of Section 79A and other applicable provisions of the Act and the Rules made thereunder, the Company may issue Sweat Equity Shares if such issue is authorised by a Special Resolution passed by the Company in the general meeting. The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a Special Resolution of the Company in general meeting subject to the provisions of the Act and the Rules and applicable guidelines made thereunder, by whatever name called.
 9. (a) Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company.
 - (b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 77A of the Companies Act, 1956 and the applicable guidelines and regulations that may be issued in this regard.
 10. The Company may from time to time by Special Resolution reduce its share capital in the manner Authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

CONSOLIDATION, DIVISION AND SUB-DIVISION

11. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (I) of Section 94; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

MODIFICATION OF CLASS RIGHTS

12. (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.
- (b) The rights conferred upon the holders of the Shares (including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
14. (a) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
 - (i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - (ii) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;
 - (iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right;
 - (iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think fit, in the manner most beneficial to the company;
- (b) Notwithstanding anything contained in sub-clause a (i) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever:
 - (i) if a special resolution to that effect is passed by the company in General Meeting; or

- (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.
- (c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:
 - (i) to extend the time within which the offer should be accepted; or
 - (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:
 - (i) to convert such debentures or loans into shares in the company; or
 - (ii) to subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (i) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (ii) in the case of debentures or loans other than debentures issued to, or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.
- (e) In addition to and without derogating from the powers for that purpose conferred on the Board under Article 13 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any persons (whether members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as the meeting shall determine and with full power to give any person (whether a member or not) the option of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

15. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

16. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
17. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about 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 so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
18. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
19. Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
20. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

CALLS

29. (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by installments.
30. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
31. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
32. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
33. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

34. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
35. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
36. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
37. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
38. (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits or to any voting rights.
- (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN

39. (a) 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 for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

- (b) Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
40. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

42. If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
43. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
44. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
45. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
46. Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

47. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
48. The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
49. A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
50. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
52. In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
53. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

54. (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.
(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
55. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 108 and other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.

56. The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
57. Subject to the provisions of Section 111 of the Act, the Directors may by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
58. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.
59. No fee shall be charged for registration of transmission, Probate, Succession Certificate and administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
60. Subject to the provisions of Section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year or any statutory modification thereof.
61. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
62. Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For this purpose the notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

63. (a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.
- (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

- (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
64. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
65. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
66. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
67. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
68. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognised by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Article 54 hereof as circumstances permit.
69. No transfer shall be made to an insolvent or person of unsound mind.

Dematerialisation of shares

72. For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

In the following Article, *Depositories Act*, *Beneficial Owner*, *Depository*, *SEBI*, *Security*, *Shareholder or member* shall mean & include *Depositories Act*, *Beneficial Owner*, *Depository*, *SEBI*, *Security*, *Shareholder or member* as defined in the definition portion.

B. Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

C. Option for Investors:

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. Securities in Depositories to be in fungible form:

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. Rights of Depositories and Beneficial Owners:

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
- ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;
- iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Service of information:

Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Transfer of Security:

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H. Sections 83 and 108 of the Act not apply:

Notwithstanding anything to the contrary contained in the Articles -

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of beneficial owners:

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

BORROWING POWERS

78. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

80. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture-stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
81. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
82. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
83. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETINGS OF MEMBERS

84. (a) The Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year.
Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding three month, then such Annual General Meeting may be held within such extended period.
- (b) Every Annual General Meeting shall be called at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it 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 is situated.
- (c) The Statutory Meeting of the Company shall be held at such place and at such time (not less than one month nor more than six months from the date at which the Company is entitled to commence business) as the Directors may determine and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.
85. All the General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings.
86. The Directors may call an Extra-ordinary General Meeting whenever they think fit.
87. (a) A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, may be called by giving not less than 21 days clear notice in writing.

- (b) A General Meeting may be called by giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto (a) in the case of an Annual General Meeting by all the members entitled to vote thereto and (b) in case of any other general meeting, by members of the Company holding not less than ninety-five per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution and not in respect of the latter.

88. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
89. For all purposes the quorum at a general meeting shall be five members personally present. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
90. (a) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.
- (b) No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
91. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
When a Meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or any business to be transacted at an adjourned meeting.
92. In the case of an equality of votes the Chairman shall both on a show of hands and on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a Member.
93. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
94. At any general meeting a resolution including a special resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of a show of hands) demanded :
- (a) by the Chairman or
- (b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
- (c) by any member or members present in person or by proxy and holding shares in the company on which an aggregate sum of not less than Rupees fifty thousand has been paid up.
95. A declaration by the Chairman that in pursuance of voting on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and any entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

96. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

97. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
98. Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
99. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
100. If any Member is lunatic or, idiot, the vote in respect of his shares shall be cast by his legal guardian(s), provided that such evidence of the authority of the person claiming to vote as shall be accepted by the Directors shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.
101. Notwithstanding anything contained in the provisions of the Companies Act, 1956, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
102. If there are joint holders of any shares, any one of such persons may vote at any meeting or appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of the said persons remain present than the person whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.
103. Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Article 104.
104. A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 187 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

105. (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
- (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
106. Any person entitled under Article 64 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
107. No Member personally present shall be entitled to vote on a show of hands unless such member is present by attorney or is a corporation present by proxy or a company present by a representative duly Authorised under the provisions of the Act in which case such attorney, proxy or representative may vote on a show of hands as if he were a Member of the Company. In the case of a company the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such company and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
108. Any member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll, instead of himself PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a member entitled to attend and vote is entitled one or more proxies.
109. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any one of the forms set out in Schedule IX of the Act, or if the appointer is a body corporate be under its seal or be signed by any Officer or attorney duly Authorised by it.
110. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
111. Every member entitled to vote at a Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention to inspect is given to the Company.
112. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
113. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.
114. (1) Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.
- (3) The following resolution shall require special notice:
 - (a) resolution under Section 225 of the Act at an Annual General Meeting for appointing a person as Auditor other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
 - (b) resolution under Section 284 of the Act removing a Director before the expiry of his period of office.
 - (c) resolution under Section 284 of the Act appointing a Director in place of the Directors so removed.

DIVIDEND WARRANTS

158. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
159. The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
160. (1) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf. PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the Company proposes to declare out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government.

- (2) The depreciation shall be provided either —
- (a) to the extent specified in Section 350 of the Act; or
 - (b) in respect of each item of a depreciable asset, for such an amount as is arrived at by dividing 95 per cent of the original cost thereof to the Company by the specified period in respect of such asset; or
 - (c) on any other basis approved by the Central Government which has the effect of writing off by way of depreciation 95 per cent of the original cost of the Company of its such depreciable asset on the expiry of the specified period; or
 - (d) as regards any other depreciation assets for which no rate of depreciation has been laid down by the Indian Income-tax Act, 1961 or the rules made there-under on such basis as may be approved by the Central Government by any general order published in the Official Gazette or by any special order in the case of the Company;

Provided that where depreciation is provided for in the manner laid down in Clause (b) or Clause (c), then in the event of the depreciated assets being sold, discarded, demolished or destroyed, the written down value thereof at the end of the financial year in which the asset is sold, discarded, demolished or destroyed shall be written off in accordance with the proviso to Section 350 of the Act.

- (3) No dividend shall be payable except, in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.
 - (4) Nothing in this Article shall be deemed to affect in any manner the operation-of Section 208 of the Act.
 - (5) For the purposes of this Article ‘Specified period’ in respect of any depreciable asset shall mean the number of years at the end of which at least 95 per cent of the original cost of that asset to the Company will have been provided for by way of depreciation, if depreciation were to be calculated in accordance with the provisions of Section 350 of the Act.
161. The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.
 162. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
 163. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
 164. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
 165. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Article 64 has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.

166. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
167. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
168. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
169. The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.
170. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.
171. (1) The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within "thirty" or such days as may be prescribed from the date of the declaration of the dividend unless -
- (a) where the dividend could not be paid by reason of the operation of any law;
 - (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
 - (c) where there is a dispute regarding the right to receive the dividend;
 - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder; or
 - (e) where for any other reasons, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
- (2) (a) The amount of dividend, including interim dividend, declared shall be deposited in a separate bank account within five days from the date of declaration of such dividend or such time as may be prescribed in the Act from time to time.
- (b) If the dividend has not been paid within thirty days or such time as may be prescribed in the Act from time to time to a share holder, then the Company shall within seven days from the date of expiry of the said thirty days or such days as prescribed transfer the whole of the dividend amount to a special account called "Unpaid/Unclaimed Dividend Account Raj Oil Mills Limited" to be opened with a scheduled bank.
 - (c) Any money transferred to the unpaid/Unclaimed dividend account of the Company, which remains unpaid or unclaimed for a period of seven years or such time as may be prescribed in the Act from time to time from the date of such transfer shall be transferred by the Company to Investor Education and Protection Fund established under Section 205C of the Act.
172. All amounts due as provided in Section 205C of the Companies Act, 1956, which remains unpaid or unclaimed for a period of seven years from the date of transfer to the prescribed accounts provided in the Act shall be transferred by the Company to Investor Education and Protection Fund established under Section 205C of the Act.

173. No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.
174. Any General Meeting declaring a dividend may on the recommendations of the Directors make a call of the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

Winding up

194. If the Company is to be wound up and the assets available for distribution among the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
195. (a) If the Company is to be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution, divide amongst the contributories, in specie or kind any part of the assets of the company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and have ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- (c) In case any share to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after passing of the Special Resolution by notice in writing direct the liquidators to sell his portion and pay him the net proceeds and the liquidators shall if practicable act accordingly.
196. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the 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 the Draft Red Herring Prospectus have been delivered to the Registrar of Companies, Marine Lines, Mumbai, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of our Company situated at 224 – 230, Bellasis Road, Mumbai - 400008 between 11:00 a.m. to 5:00 p.m. on working days from the date of the Draft Red Herring Prospectus until Bid/Issue closing date.

MATERIAL CONTRACTS

1. Copy of Engagement letter dated November 30, 2007 regarding appointment of Karvy Investor Services Limited as Book Running Lead Manager.
2. Memorandum of Understanding dated May 15, 2008 entered into among Karvy Investor Services Limited to act as the Book Running Lead Manager to the Issue, India Capital Markets Private Limited to act as the Co-Book Running Lead Manager to the Issue and our Company.
3. Memorandum of Understanding dated April 2, 2008 entered into between Bigshare Services Private Limited and our Company to act as the Registrar to the Issue.
4. Escrow Agreement dated [●] between our Company, BRLM(s), Registrars to the Issue and Escrow Bankers.
5. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company and [●].
7. Tripartite agreement dated May 7, 2008 between the Company, (Registrar) and NSDL, for offering depository services.
8. Tripartite agreement dated May 2, 2008 between the Company, (Registrar) and CDSL, for offering depository services.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of our Company dated November 17, 2001.
3. Certificate of Commencement of Business our Company dated November 6, 2001.
4. Certified true copy of the Resolution passed at the meeting of the Board of Directors held on March 25, 2008 approving this Issue.
5. Certified true copy of the Resolution passed u/s. 81(1A) of the Companies Act, 1956 at the Annual General Meeting dated April 20, 2008 approving this Issue.
6. Certified true copy of the Resolution passed at the Extra Ordinary General Meeting held on October 25, 2007 approving the terms and condition for appointment of Mr. Shaukat S. Tharadra as Chairman and Managing Director and Mr. Azamkhan F. Lohani, Mr. Abdulla K. Musla and Mr. Rashid I. Tharadra as Wholetime Directors.
7. No Objection Certificate dated March 26, 2008 from the Shamrao Vithal Co-operative Bank Limited for this Issue.

8. Consents of our all Directors, Company Secretary and Compliance Officer, Auditors, BRLM(s) to the Issue, Syndicate Members, Legal Advisors to the Issue, Bankers to our Company, Bankers to the Issue, Registrars to the Issue, Technical Consultant and Brand Valuer to include their names in this Draft Red Herring Prospectus to act in their respective capacities.
9. The Annual Reports of our Company for the Financial Year ended December 31, 2003; December 31, 2004; December 31, 2005; December 31, 2006 and December 31, 2007.
10. Report of the Auditors M/s. M. K. Gohel & Associates, Chartered Accountants mentioned in this Draft Red Herring Prospectus.
11. Report of the Auditors M/s. M. K. Gohel & Associates, Chartered Accountants dated May 26, 2008 on the Tax Benefit available to our Company and investors.
12. Statutory Auditors Certificate dated May 26, 2008 regarding Sources and Deployment of Funds as on May 15, 2008.
13. Resolution of the Meeting of the Board of Directors of our Company for the constitution/re-constitution of Audit Committee, Remuneration Committee, Investor Grievance/Redressal Committee and IPO Committee.
14. Certified true copy of Due Diligence Certificate dated June 6, 2008 to SEBI from BRLM – Karvy Investor Services Limited.
15. In-principle listing approvals from BSE and NSE dated [●] and [●] respectively.
16. Power of Attorneys for signing and making necessary changes to the Draft Red Herring Prospectus, Red Herring prospectus and Prospectus.
17. SEBI Observation Letter No. [●] dated [●] and reply given by BRLM – Karvy Investor Services Limited dated [●].
18. Legal Clearance Certificate dated June 2, 2008 given by Legal Advisor.
19. Legal Due Diligence Report dated May 24, 2008 given by Legal Advisor.
20. Copies of Form 5's along with relevant resolutions regarding increase of Authorised Share Capital.
21. Sub – Tenancy Agreement dated October 1, 2007 entered into between our Company and Mr. Shaukat S. Tharadra for 8,950 sq. ft. at the premises at Avval Mansion, 222/240 Bellasis Road, Mumbai – 400 008.
22. Agreement of Conveyance dated January 18, 2008 entered into between our Company and Anand Arts & Crafts Pvt. Ltd. for Acquisition of Plot No. F-9, admeasuring 2,827 sq. metres at RIICO Industrial Area of Bagru Kalan Extension, Phase II, Jaipur, Rajasthan.
23. Agreement of Conveyance dated January 18, 2008 entered into between our Company and M/s. Anand Sales Corporation for Acquisition of Plot No. F-10, admeasuring 1,900 sq. metres at RIICO Industrial Area of Bagru Kalan Extension, Phase II, Jaipur, Rajasthan.
24. Agreement dated May 17, 2006 entered into between our Company and M/s. Bharat P.V.C. Industries Pvt. Ltd. for purchase of plot of land admeasuring 16,187 sq. metres at village Ten, Manor, taluka Palghar, district Thane.
25. Deed of Conveyance dated July 28, 2004 entered into between our Company and Mr. Bahadurbahi Bawabhai Patel, Mr. Kantilal Bahadurbhai Patel, Mr. Ghanshyam Bahadurbhai Patel, Mr. Chotalal Bahadurbhai Patel, Mr. Vinod Bahadurbhai Patel and Mr. Raju Bahadurbahi Patel for purchase of plot of land admeasuring 16,000 Sq. meters at Survey No. 4 & 6, Hissa No. 1, village Ten, taluka Plaghar, district Thane.

26. Five different Agreements dated December 17, 2007, December 20, 2007, December 31, 2007, December 26, 2007 and December 13, 2007 respectively entered into between our Company and M/s. Raj Oil Mills (Partnership Firm) for purchasing Trademark and Labels of M/s. Raj Oil Mills.
27. Letter No. [●] dated [●] Issued by ICRA Ltd. describing the IPO Grading with the rationale.
28. Consent from ICRA Ltd. for inclusion of their name in the Draft Red Herring Prospectus as IPO Grading Agency and for inclusion of their report in the form and context in which they appear in the Red Herring Prospectus and the Prospectus.
29. Certificate of the Auditors M/s. M. K. Gohel & Associates, Chartered Accountants dated May 26, 2008 certifying the Material Development during the period from January 1, 2008 to May 26, 2008.
30. Deed of Assignment of business dated April 29, 2002 entered into between our Company and Mr. Shaukat S. Tharadra, Mr. Azamkhan F. Lohani and Mr. Rashid I. Tharadra, partners of M/s. Raj Oil Mills (Partnership Firm) for takeover of running business of M/s. Raj Oil Mills.
31. Brand Valuation Report for our 'Cocoraj', 'Guinea', and 'Raj' Brands dated April 28, 2008 issued by Haribhakti MRI Corporate Services Pvt. Limited.
32. Copy of resolution of Board of Directors dated May 26, 2008 approving the Draft Red Herring Prospectus.

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

We, the Directors of our Company, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines 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 the rules made there under or guidelines issued, as the case may be. The Company and the signatories mentioned herein below further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by

s/d- Mr. Shaukat S. Tharadra Chairman and Managing Director	s/d- Mr. Azamkhan F. Lohani Wholetime Director
s/d- Mr. Abdulla K. Musla Wholetime Director	s/d- Mr. Rashid I. Tharadra Wholetime Director
s/d- Mr. B.V. Ratanghayra Independent Director	s/d- Mr. R. Balasubramanya Independent Director
s/d- Mr. N.V. Patel Independent Director	s/d- Mr. M. Singaporewala Independent Director

Place: Mumbai

Date: